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Research Article

Prospects and problems of agricultural credit loan in Bangladesh: A case study of Rajshahi Krishi Unnayan Bank (RAKUB)

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ABSTRACT

Rajshahi Krishi Unnayan Bank (RAKUB) acting a vital role within the economic development of Bangladesh particularly in supporting the farmers of the sixteen districts of Rajshahi and Rangpur divisions in Bangladesh. Agriculture remnants the foremost essential part of the Bangladeshi economy. According to WDI, the agriculture sector contributing 12.68 % to the GDP and supplying employment for 38.58% (% of total employment) of the population in 2019. A polarity of Bangladeshis earns their livelihood from agriculture. The recital of this sector has a laudable collision on the particular economic development of the country. To disentangle a farmer beginning the swamp of poverty and boost food fabrication, storage, and provide, agricultural credit is important. The key aim of the study is to analyze the prospects and problems of agricultural credit loans of RAKUB, Bangladesh. The execution of agriculture credit plans in RAKUB is hindered by many tribulations. These tribulations and others topics immediately the significant role of agricultural credit bent the origin of discussion in this study.

Keywords: *Agriculture; Credit; GDP; Deposit; Loan; Rajshahi Krishi Unnayan Bank*

1. INTRODUCTION

Agriculture can help to decrease financial deficiency, raise income, and to make better food safety for the world's poor peoples, who lives in a rural village and work mostly in farming. The development of agricultural sectors is essential for humanizing the supply of required raw resources for agro-based enterprises particularly in developing nations. The shortage of agricultural merchandise has an effect on the massive supply of an economy and a succeeding extension in the price level of the market (Mellor, 1995).

The improvement of the agricultural sector would tend to raise the buying force of agriculturists which will help the development of the non-agrarian sector of the country. It will give a market to expanded production and distribution (Rahman, 2017). In developing nations, it is noteworthy that most the persons rely on agricultural activities and it is they who should have the option to bear to consume the products delivered. Thusly, it will be useful in bracing the progress of the non-agrarian part of a country. Additionally,

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improvement in the profitability of cash crops may prepare for the improvement of the trade economy which might assist the progress of the non-farming sector (Kumar, 2019). The World Bank Group is a foremost agricultural financier, with US$ 6.8 billion in the new IBRD/IDA pledge in 2018. Growth is one of the main essential instruments for finish comprehensive poverty, enhancing communal prosperity, and feeding a projected 9.7 billion people by 2050. When compared to other industries, agriculture growth is two to four times more successful in increasing incomes amongst these poorest. According to 2016 studies, agriculture provided a livelihood for 65 percent of poor working adults. According to a 2018 estimate, the number of people who are hungry or undernourished has risen to nearly 820 million in 2019, up from about 804 million in 2016 (WDI, 2020).

Table 1. Contribution of GDP from agriculture in South East Asia given below

Country	Last	Year	Range	Previous	Currency
Malaysia	28029.00	Sep/19	24192	28029 : 19362	MYR, (M)
Vietnam	352698.00	Sep/19	228440	500567 : 65298	VND(B)
Indonesia	78603.00	Sep/19	88694	88694 : 37282	IDR (B)
Brunei	36.20	Jun/19	35.8	42 : 34.3	BND (M)
Cambodia	9504.50	Dec/18	9401	9504 : 4757	KHR (B)
Thailand	122574.00	Sep/19	159957	182356 : 68261	THB (M)
Philippines	139356.00	Sep/19	148322	182717 : 114778	PHP (M)
Laos	18195.00	Dec/18	17750	18195 : 15137	LAK (B)

Note: (M) denotes million and (B) denotes Billion *Source: Tradingeconomics (2020)*

Brazil is artistic with huge agricultural possessions. The amount was supporting agricultural credit in Brazil raised from US$7 (B) in 2001 to US$73.4 (B) in 2011/2012 (Salami and Arawomo, 2013). The agriculture sector calculated for 10.10% of Brazil's Gross Domestic Product and approximately 23% of the total labor force in 2000 (Westercamp et al., 2015). China has the prime populace in the world of which, 57.01% live in the rural regions. Most of the rural people depend on the agriculture sector. Since over 40% of the Chinese populace works in agriculture, the agricultural sector added 15% of the GDP. About 31.7% of the addition of the agricultural sector and 15% national income of rural people comes from livestock cultivation (Yang, 2013).

Table 2. Contribution of agriculture to GDP in South Asian Countries

Country	Last	Year	Range	Previous	Currency
Bangladesh	10739.10	Jun/19	10469	10739 : 7017	BDT (M)
India	4335.47	Jun/19	4861	5869 : 2691	INR (B)
Pakistan	2336888.00	Dec/18	2284561	2336888 : 1775346	PKR (M)
Sri Lanka	163752.00	Jun/19	162364	186854 : 124301	LKR (M)
Nepal	267458.00	Dec/18	254673	267458 : 158417	NPR (M)
Bhutan	8059.80	Dec/18	7795	8060 : 6043	BTN (M)
Maldives	3302.00	Dec/17	3047	3914 : 2298	MVR (M)

Note: (M) denotes million and (B) denotes Billion *Source: Tradingeconomics (2020).*

In India, there is an immeasurable need for proper agricultural credit as Indian farmers are very poor. In the beginning, the primary source of agricultural credit in India was investors. Rural money is a topic of credit which is a worry in a creating economy like India where 70% of the populace depends on farming. (Godara et al., 2014) It's about 19% of India's Gross domestic product. The estimation of ranch credit as an irksome contribution to horticulture is recuperated by the incomparable part of Indian agribusiness in the macroeconomic stunts and its temperament in destitution easing (Golait, 2007). Perceiving the meaning of the horticulture area in India's Advancement, the Public authority and the RBI have played out an imperative job in making an expansive based calculated structure to bring credit up in that area (Gunes, 2017). More than half of the populace of Pakistan lives in country ranges, and farming could be a key donor to employment, salary creation, exports, and GDP. One of the main components ruining the selection of present-day technologies and enlargement of efficiency and advancement within the rural sector was the need for credit or capital limitations confronted by the farmers in accomplishing their full potential in generation and selling of cultivating products in Pakistan (Awan and Aslam, 2015; Chandio et al., 2016).

Bangladesh is a developing part of the country in South Asia that exists in the lower part of the development status (Sultana, 2006). Bangladesh is an agrarian country. Agriculture is the lifeline of Bangladesh. The people of this country are dependent on agriculture as the primary source of living. Many developing countries, like Bangladesh, have a vast rural society which accounts for near 85% of the total population primarily or indirectly involves a total labor force of 40% in Bangladesh.

Table 3. Contribution to GDP Growth over the Last Ten Years

Sector	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Agriculture	0.61	1.07	0.78	0.52	0.41	0.70	0.53	0.43	0.44	0.43

Source: Bangladesh Bureau of Statistics (2020)

According to the provisional estimate by the Bangladesh Bureau of Statistics (BBS), the gross domestic product (GDP) rise in FY2017-18 is desired to be 7.65 %. It is for the 4th time that in the course of the last 20 years (since FY2006-07) that the Gross Domestic Product growth would cross 7 percent. For the FY2017-18 of the estimated growth rate of 7.65%, the sector's agricultural contribution is allowed to be the tune of 0.43% of the points of 0.44 percentage points in FY2016-17.

The people of Bangladesh are the major occupation is "Krishi" which means "Agriculture". Farmers of this country firstly produce crops what fulfills family subsistence needs then they show interest on the fabrication of cash crop where cotton, jute, tea, tobacco, coffee, and so on are the main purpose in covering demand of home market and export in foreign currency for developing countries. Moreover, the bank is involved in the production of livestock like poultry, goats, cows, pigs, and sheep that carry out needs for meat, milk, and egg (Mahmud et., 2013). The advancement of Bangladesh was completed through the "Great Freedom War" on 16 December 1972. After the autonomy of Bangladesh "Pakistan Krishi Unnayan Bank" was renamed as "Bangladesh Krishi Unnayan Bank". Organize of the surge, rice of unused quality and presentation of other high squashy crops, and the expanding request of its, organizational loan demand of farmer raised (Rana, 2016). The present study is, therefore, a pragmatic effort to inquire into the prospects and problems of credit provided by RAKUB on crop production. The study is expected to generate reliable information regarding the distribution, adequacy, and purpose, cost, and repayment aspects of the RAKUB loan.

1.1. An Overview of RAKUB

Rajshahi Krishi Unnayan Bank is a scheduled nation-owned specialized Bank. The Bank was established by way of President's Ordinance No.58 in 1986 to provide agricultural credit sore for top quality use of agricultural potentials of the Rajshahi and Rangpur Division and now it has been in maneuver under The RAKUB Act 19, 2014. Taking overall the 253 branches and other places of work alongside with assets and liabilities of the Bangladesh Krishi Bank (BKB), RAKUB undertook to function on 15 March 1987. The Head Office of the financial institution is stationed at Rajshahi. The branch network forms 380 branches including currently one in Dhaka (Based, Adequacy, Iii, & Iii, 2018). RAKUB is the largest source of agricultural credit in the Rajshahi division and this bank includes the development of the socio-economic conditions of the people of the northwest region of Bangladesh. The bank extends its credit facilities for income and employment generating agro-based industrial and commercial activities, besides supplying agricultural credit, poverty alleviating programs, and diversified off-farm rural economic activities. RAKUB contributes by collecting scattered small saving from the rural mass against attractive interest and allowing credit facilities to the small and marginal investors as well as the farmers. The capacity of repayment is one of the major considerations of credit analysis .and the proper utilization of loans has a great impact upon the capacity of repayment of the borrowers (Krishi et al., 2013).

RAKUB finances the production of summer crops, winter crops, horticulture, and nursery, etc. High-yielding and high-value crops and seeds invention are predominantly induced. Crop sub-sectors only 60% occupation of the providing budget of the Bank. Increasing credit services for intensive and profitable animal farming, such as dairy, beef fattening, poultry, and hatcheries, which is anticipated to grow milk, meat, and egg production.

1.1.1. Current Status

1.1.1.1. Capital

The authorized capital of the bank as determined by the government total amount of money 10000 million and paid-up capital 8250 million. Reserves stand at Tk. 208.50 million.

2.1.1.2. Credit Program Offered by the Bank

1. Crop production
2. Animal resource and poultry
3. Fisheries
4. Irrigation & farm machinery
5. Agro-industry & Agribusiness
6. Poverty alleviation

1.1.1.3. Objectives of Rajshahi Krishi Unnayan Bank

Development of the socio-economic stipulation of the farmers of the northwest region of the nation, RAKUB is to play a crucial role to amplify agriculture activities, create income-raising actions, and economic growth of the country.

Objectives are given below:

1. To provide agricultural credit facilities for poor farmers
2. To provide credit facilities for the socio-economic development of poor farmers
3. To provide credit facilities for increasing crop production
4. To provide credit facilities for poverty alleviation
5. To provide credit facilities for creating small firms as livestock & poultry, fishery, hatchery
6. To develop and create employment opportunities.
7. To increase income and remove poverty of the people of the northwest area of Bangladesh.

1.2. Research Questions and Objectives of this Study

1.2.1. Research Questions

The following questions need to be answered:

1. What are the problems of the distribution of agricultural credit loans?
2. What are the prospects of the bank to distribute agricultural credit loans?

1.2.2. The Specific objectives of the Study

1. To discover the problems of the bank to distribute agricultural credit loan
2. To know the prospects of the bank to distribute agricultural credit loans

1.2.3. Problem Statements of the Study

The problem statements have been presented in several dimensions such as economic, political, social, and natural. The specific issues have been presented in the following points:

1. Interest rate problem
2. Political influence
3. Difficult credit rules
4. Installment system every week
5. Uneven distribution of farming credit
6. Inadequate observing and evaluation
7. Weak agricultural policies

2. REVIEW OF LITERATURES

As most of the literature on credit mainly triggered on estimating the relationship of credit with poverty alleviation, food safety, and self-employment of women, there are various studies directed on farming output. Chowdhury (2002) states that, the banking industry in Bangladesh is a balanced one including nationalized, specialized, private, and business banks. Numerous have been made to clarify the performance of the banks. Sympathetic the operation of banks necessitates acquaintance about prosperity and the connection between variables like market size, bank's hazard, and bank's market size depends on gainfulness. Mian and Kasem (2006) the effectiveness of RAKUB crop credit present study found that the lending procedure of RAKUB was quite lengthy. Large farmers received more amounts of loans within the shortest possible period and with the least cost compared to medium and smaller ones. The overall loan recovery rate was 66 percent during the study period and large farmers were observed to be better re-payers. Major factors affecting timely loan repayment were fear of imposing additional interest and penalties and of avoiding certificate cases. RAKUB crop credit became able to bring favorable change in the socio-economic conditions of the respondents but large farmers were the major beneficiaries. Problems like tips and bribes, delay loan disbursement, etc. Anderson et al (2006) show the empirical works which are aimed to examine the effects of government expenditure on-farm productivity and technical progress. Whether the effect is been looked at the macroeconomic or at the microeconomics level, most of the existing literature assumes that government expenditure enhances variations in technology, consequently impart equally all the product features.

Moreover, Chowdhury and Islam (2007) state that, deposits and loans, and advances of Specialized Banks (SBs) are a lot of responsive to rate changes than those of Nationalized Commercial Banks (NCBs). This effect of the capability of the farmers to pay back their loans, Olatunji (2009) examines the effect of internal management machine systems in the banking sector and keeping with the findings need to an effectual interior management scheme is the fundamental cause of bank fraud. It became then completed that the supervision of every financial institution should create and set up an ordinary internal manipulate system, strong enough to stand opposed to the wiles of fraud so that endorse permanence of maneuver and to make sure the liquidity, solvency, and going problem concept of the bank. According to a bunch of loan disbursement issues like (i) farmers unconsciousness of bank credit facilities; (ii) to fulfill bank requirements and lack of farmers ability ; (iii) as they are responsible to their authority for the loan defaulted by the farmer's branch managers' unwillingness to take the risk of giving loan; (iv) inability of marginal farmers to return with collateral for the loan; and (v) bank workers inability to know the risks included in agricultural projects and lack of agricultural environment yet (Mahfuz, 2009). According to Olowa et al. (2011), the implementation of agricultural credit Nigerian programs is hampered by a number of problems. These and other issues surrounding the Agricultural credit's role of bent the basis of the argument in this paper. The suggestion is overt while the conclusion centered on the agricultural credit policy scenario where agricultural credit is effective to expand agricultural activities (Gershon et al., 2019; Ojo et al., 2019).

Rahman et al. (2011) assuming loans to the agriculture sector expedite agricultural growth and the Govt. specialized banks like BKB and the Rajshahi Krishi Unnayan Bank (RAKUB) have implemented agricultural or rural credit subsidies programmed. Nevertheless, it has been argued that the subsidized credit programs are indefensible due to soaring default rates, the poor pieces of specialized banks' allocation of credit to the richest borrowers.

Rahman (2013) shows his study, the relations between Agro-based organizations lending to other loans. This paper also discusses the role of loans on diverse agricultural sectors in the GDP of Bangladesh. The study is cramped to precise areas such as loans to different agricultural sectors and the twelve years period initial from 1998-1999 to 2009-2010 by the Rajshahi Krishi Unnayan Bank contribution to GDP by the agriculture sector. This paper investigates all of the variables considered in this study are positively related to each other. This paper applied descriptive statistics to the essence of diagnostic and exploratory and uses secondary data. Rahman and Majumder (2020) also state that a financial institution like banks, NGO's and other finance corporation plays a significant role to increase agricultural productivity. Kamal et al. (2014), recent study aims to decide the socio-economic status of banana cultivators in Bangladesh. For this reason, 60 loaned farmers were chosen from four villages of Shibgongupazila in the Bogra district. In terms of financial features, the study discovered that the average family figures for small, medium, big, and all farms separately were 6.78, 4.71, 6.67, and 5.80. The age group of 31 to 40 years accounts for about 50.93 percent of farm owners. Just 12.67 percent of banana growers lacked literacy. About 62 percent of farm owners used farming as their primary source of income. The total size of a farm was 237.29 decimal acres. The farm sizes were 83, 224, and 405 decimals, respectively, for small, medium, and large farms. Bidisha et al. (2015) this paper gives evidence in favor of the beneficial outcome of partaking in a credit program on agricultural creation. Their assessment suggests that credit had a huge contribution towards family crop production comparative households without credit. Credit beneficiary households were found to create a considerably superior amount measure of agricultural commodities. Gunes and Movassaghi (2017), this study aims to identify the key differences of agricultural credit systems with regards to the important actors included (governmental/private banks, credit cooperative, etc.), application procedure, terms and circumstances, types, and priorities. The study identifies different agricultural credit rules which reflect countries' political, economic, and structural changes.

Moreover, the current study aimed to analyze the prospects and problems of agricultural credit loans in Bangladesh by considering Rajshahi Krishi Unnayan Bank (RAKUB). As per our study knowledge, no other researcher has been completed any researches in this subject and matter. The stakeholders of this study have been beneficiaries throw the knowledge and banking efficiency in the agricultural credit section.

3. METHODOLOGY

3.1. Methods of Data Collection

This study has been directed through analyzing information and data from secondary materials. Secondary sources of data have been used and analyzed due to availability and accessibility. We have collected some secondary information which is already published by the bank authority, various annual reports, statistical reports, books, magazines, websites of Rajshahi Krishi Unnayan Bank, World Bank, various kinds of journals and articles, other websites, etc.

3.2. Data Processing and Analysis

After finding the data, it has been checked and verified to make sure that the answer to each objective of the study. After that data have been tabulated and analyzed using descriptive statistics. The data sources are mentioned in each table and other descriptive statistics mentioned in this study. Moreover, this study has been followed the characteristics of descriptive research in its nature because we have descriptively analyzed our data.

4. RESULTS ANALYSIS AND FINDINGS

4.1. Political Influence

All of us discern that the Government institution of LDC is heavily exaggerated by political persuade. So, RAKUB is not out of these consequences and this is the main cause of the loan recuperation problem.

4.2. Classified Loan Problem

A classified loan is fairly enhanced than others but the rate of collection of classified loans the number of customers repaid is less. This problem can generate a solemn risk for this sector.

4.3. Causes of Default

Owing to a variety of factors, the lender is unable to repay the loan on time. The first explanation is that natural disasters kill crops, and as a result, the investor is unable to pay on time. RAKUB is sometimes unable to take the necessary action against a strong loaner. The creditor does not make proper use of the loan and does not repay it on time.

4.4. Sector-wise Loan Payment Problem

Binodpur branch accentuates mainly production sectors such as Crops, Fisheries, Livestock, and SME. But this cannot sure an equal allocation for a well-balanced economy.

4.5. Higher Non-interest Cost of Institutional Credit

Alam (1981) discovered four kinds of non-interest costs of institutional loans like (a) application fees, supporting loan requirement of stamp and documents; (b) form filling and writing; (c) traveling for loan negotiation cost and; (d) cost of entertaining.

4.6. Lack of Timely Loan Assistance

The acute problem in accessing timely loan assistance remains among small farmer groups (71.4%) as they badly need creditability, they submitting required collateral to get the sanction of the credit (Sarkeret al., 2006). The same scenario was also found to exist in another research work where 38% of the recipient of the agricultural loans from RAKUB (Miah et al., 2006).

4.7. Installments System Every Week

Agricultural production requires time and income is received only after harvesting, so paying installment becomes difficult for recipient farmers for whom there are no other sources of income. This perception was also revealed in the survey where 53% of the recipient of a loan from GB reported a weekly installation system as the major constraint in taking their decision for receiving agricultural credit from those NGOs (Mian and Kasem, 2006).

4.8. Difficult Credit Rules

Difficult credit regulations of banking institutions impede small and marginal farmers to credit facilities. Credit policies are very complex formulated and in several cases, these aren't defined by illiterate and partially knowledgeable farmers. The assumption is also supported by the survey conducted by Sarkar (2006), here it is seen that 79.2% of very small farmers and 82.9% of small farmers identified difficult credit rules as the reason for not availing bank credit and 78% of all farmers think so.

4.9. Crops Loan Disbursement Problem

Crop loans are only distributed for certain crops such as potato, banana, and boro. The customer who wants to grow land for ladies fingers can't excess.

4.10. Prospect of RAKUB

Increase the credit flow on time in agro-based activities, deliver banking services to the underprivileged and poor people, all branches of the bank are covered by automation and online services, integrating transparency, accountability, and good governance at all levels of the organization, increase the collection of classified and undervalued debt, strengthen the banks financial-based by increasing investment to make a significant contribution to SDGs by increasing the flow of credit to women entrepreneurs and the Green banking sector.

4.10.1. Possible Major Achievements for the Fiscal Year 2019-20

1. Total loan disbursement of Tk. 2200 crore.
2. Loan disbursement of Tk. 5 crores in green banking.
3. Distribution of loans to women entrepreneurs of Taka 10 crore
4. Loan collection Tk. 2100 crore.
5. Classified loan collection Tk. 390 crore.

Table 4. Table of Last (5) Five Years' Business Activities

Particulars	2011-2012	2012-13	2013-14	2014-15	2015-16
Loan Distribution goals	10035.00	1140.00	1220.00	1300.00	1450.00
Gain	1060.12	1010.42	1150.88	1334.59	1430.91
Percentage rate compared to the target	102.43	88.63	94.33	103.00	98.68
Debt collection goals	990.00	1090.00	1285.00	1425.00	1781.49
Gain	992.46	1190.91	1315.38	1475.30	1677.14

Particulars	2011-2012	2012-13	2013-14	2014-15	2015-16
Percentage rate compared to the target	100.25	109.26	102.36	104.00	94.14
C) Debt collection goals	266.00	657.66	750.48	500	650.00
Gain	219.01	320.04	413.63	463.16	463.68
Percentage rate compared to the target	82.33	48.66	55.86	93	71.34
D) Deposit collection target	300.00	114.00	1276.00	2443.84	3000.00
Gain	341.58	-120.86	7.02	275.14	821.55
Percentage rate compared to the target	113.86	-	-	91	101.56
Deposit status	2067.28	1946.42	1953.44	2228.58	3050.16

Source: Annual reports of RAKUB (2018)

4.10.2. Sorted Factor Scores

The estimated values of the familiar factors are called factor scores which are used for indicator functions as well as inputs to an approximate analysis. Factor scores explain what the factors mean with such scores. In this study the four factors were defined in the following manner:

Factor 1: Deposit factor

Factor 3: Industry factor

Factor 4: House loan factor

Factor 2: Individual and business loan factor

Among specialized banks, RAKUB focused on different types of deposits whereas BKB focused on agricultural, small, medium, and large industries. The BASIC bank emphasized its investment in the housing sector.

Table 5. Position of Specialized Banks by Factor Scores

Position	Factor 1		Factor 2		Factor 3		Factor 4	
	Bank	Factor Score	Bank	Factor Score	Bank	Factor Score	Bank	Factor Score
1	RAKUB	-0.179	RAKUB	-0.700	RAKUB	-0.996	RAKUB	-0.410
2	BKB	-0.205	BKB	-1.218	BKB	-1.848	BKB	-1.302
3	BASIC	-0.353	BASIC	-1.514	BASIC	-1.901	BASIC	-1.845

Source: www.rakub.org

Table 6. Estimate of Crop/crop Production Cost as per Annual Production Plan (Agricultural / Crop land area is 5.35 acres)

S. No	Amount of land (acres)	Production cost (in the US dollar)				Total production cost
		Banana	Amon	Potato	Boro	
1	2.20	-	64,500	-	90,000	1,54,800
2	1.82	-	-	1,02,300	74,700	1,77,000
3	1.33	1,40,000	-	-	-	1,40,000
Total	5.35	1,40,000	64,500	1,02,300	1,65,000	4,71,800

Source: www.rakub.org.com

Depending on the following estimates, the required security is subject to coverage 70:30, Applicants/borrowers negotiating in the ratio of debt to equity can be allowed Tk. 3, 30, 000.

4.10.3. Present Problem of Agricultural Credit

Huge commercial loans required political patronage, a numbers of which were the notion to have had a price tag connected to it. Insider lending changed into not unusual was common in private banks, as become using of bribes to mobilize scarce deposit funds from proprietors or controllers of that fund authorities. The incidence of fraud and forgery changed into however very confined and/or not made public

1. The formal sector is a source of credit but the major complicatedness countenanced by farmers in securing agricultural credit from this bank are the long institutional procedure (Mehedi et al., 2020).
2. In our country, deposits of Banking mobilizes from rural remote areas are funneled into institutional credit performances to the country's major urban centers.
3. The bank operation has not comprehensive sufficiently in rural areas. This inhibits farmers to get facilities of cheap formal sources of credit. Private commercial banks should extend their operations in rural areas of Bangladesh as well as urban areas (Islam, 2020).
4. Lack of institutional cooperation has been identified as another difficulty in accessing bank credit (Rahman, 2011).
5. The agricultural loans that are disbursed from institutional sources are quite insufficient compared with the credit need of the farmer; especially it seems inadequate for the medium and large farmers. Survey results among the farmer also support the argument (Das and Hossain, 2019).
6. Difficult credit rules of banking institutions hamper small and marginal farmers to credit facilities. Credit rules are very complex formulated and in several cases, these are not clearly understood by illiterate and partially educated farmers (Sarkar, 2016).
7. The severe problem in accessing timely loan assistance remains among a small group of the farmer and they badly need credit but cannot submit required collateral to get a sanction of the credit.

4.11. Credit Help in Enhancing Agricultural Production

To hand out the financial needs for agricultural production, marketing and other stages of the chain value agricultural credit is a major reliable service. A major component of development programs is and projects enhancing credit by the small farmer.

4.11.1. Longer-term Agricultural Financing

Longer-term agricultural financing helps us better storage facilities, food/commodity processing facilities, and equipment/mechanization so longer-term investments are needed. (Trade and working capital give us for current longer-term financing).

4.11.2. Financing Agriculture-related Infrastructure

Most of the poorest countries like rural roads, port amenities, loading terminals, etc., are needed. Where poignant food in and out becomes almost unfeasible, recently transportation costs are often so high that mainly for landlocked areas because of poor logistics supports and high expense.

4.11.3. Advancements in Technology

Innovation in technologies could likewise prompt farming customers to bring down the expense of monetary services and arrangements including ICT could give a significant in diminishing the expenses of regular little transactions by scattering populaces in provincial regions. Hold a serious guarantee and we are seeing an increment in such applications the utilization of cell phones, e-banking, and hotline services in agriculture.

5. CONCLUSION AND RECOMMENDATIONS

5.1. CONCLUSION

Rajshahi Krishi Unnayan Bank aims at the overall development of all the sectors and sub-sectors of agriculture in this particular region as the major development collaborator in the northwest districts. A nation does not reach the development stage without making agribusiness credit, financing in agro-business and agro-based industries. Exercises of those purposes, the bank plays a significant role. High-level executives have to envision credit plans inside the other agricultural projects. The employments of farming credit programs are directed by top executives in the public area, specific credit organizations, and private corporations. The most obtrusive proviso in policy is insufficient scrutinization and evaluation. There is likewise a need for greater objectivity concerning assessors to give the right guidelines to the top administration of these institutions. All the time, numerous institutions that execute credit programs just observe the problems from their point of view: which tend to propose, though speciously, that both policymakers and people executing policies have contradictory aims. As indicated earlier, effective evaluation of credit programs is going to be an asset to policymakers. If essential measures are made to such programs they will help the executing authorities to attain their precise institutional objectives and efficiency. Through this study, agricultural credit facilities, problems, and prospects of RAKUB have been discussed. The others banks like government and private banks should be increases initiative in green investment and expand green banking. For this purpose, this study would be credible to imply the way of findings the agricultural credit problems and prospects all over the country.

5.1.1. Limitations of the Study

This paper has suffered from several limitations:

1. The most important limitation was this study highly based on secondary data. This report's factual accuracy may be compromised because of information outdated date.
2. Insufficient records, publications, facts, and tables are available. These constraints narrowed the scope of the authentic analysis.

5.1.2. Recommendations

RAKUB should follow an incorporated and concrete process for the recognition of latent rural entrepreneurs. After the recognition, the fortification and supporting accommodations must be extended to them for the desired magnification of rural entrepreneurship. RAKUB's must go full ahead for automation. The banking industry is now very competitive and without automation, it will not be possible to sustain the future. RAKUB's employees work in some such branches where communication is very poor. Moreover, they are not getting competitive remuneration. In these situations, employees must be motivated to working in such conditions. It is necessary to increase the agricultural credit due to Bangladesh is an agricultural country. The potential agricultural product would be to raise their production to contribute to national-level development by utilizing loan facilities from financial institutions at easy terms. Whatever, future research direction also suggests some implications for policymakers, bankers, and others than RAKUB. Moreover, the lessons drawn a conclusion from the development history of many well-established states reveal to us that farming success assists radically in cultivating financial progress. It is accurately seen that the major industrialized states of today were once transcendently farming while the crafting economies have the strength of agribusiness and it normally adds to the national GDP.

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