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AGRICULTURAL INDICATORS SYSTEM (AIS)

# AGRICULTURAL CREDIT

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## FOREWORD

The Agricultural Indicators System (AIS) is one of the statistical indicator frameworks maintained by the Philippine Statistics Authority (PSA). AIS has twelve (12) modules which are updated and released annually. This is the tenth module entitled Agricultural Credit. It provides information on loans for agricultural production granted by private and government institutions. The reference years are 2013 to 2017.

The AIS hopes to cover more agricultural development indicators to support the information needs of our data users. We encourage the readers to give their comments and suggestions on the improvement of the AIS, in general, and this report, in particular.



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National Statistician and Civil Registrar General

Quezon City, Philippines  
November 2018

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# AGRICULTURAL CREDIT



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## Agricultural Production Loans

Indicators on agricultural credit provide information on the credit needs of the farmers and fishermen in financing their production activities and the extent of loans provided by the different financial institutions. These are important indicators for planners and policy makers geared towards achieving the development of the agriculture sector.

In 2017, the agricultural loans granted to small farmers and fishermen totalled PhP 618.79 billion. This was 23.76 percent higher as compared with the previous year's record of PhP 500.00 billion. About 56.62 percent of the total agricultural loans in 2017 equivalent to PhP 350.38 billion were used for production purposes. This amount registered a 29.20 percent increment in 2017, the highest record over the five-year period (Table 1).

The private banking institutions remained as the biggest source of loans for agricultural production activities. Although the share of private banks was slowly declining from 2013 to 2016, it picked up to 81.32 percent or PhP 284.95 billion in 2017. Among the private banks, the Private Commercial Banks (PKBs) continued as the biggest providers of credit with an increased share of 48.63 percent. This was followed by Rural Banks (RBs) whose share was reduced to 12.07 percent. Meanwhile, Savings and Mortgage Banks (SMBs) and Private Development Banks (PDBs) had 8.02 percent and 7.32 percent shares, respectively. The Stock Savings and Loan Associations (SSLAs) remained as the least source of credit among the private banks with its share of 5.29 percent in 2017. On the other hand, the provision of credit assistance by the government banks was reduced as indicated by its share which dropped to 18.68 percent in 2017 or equivalent to a loan worth PhP 65.43 billion (Tables 2a and 2b).

The volume of loans extended by both government banks and private banks in 2017 grew by 26.09 percent and 29.93 percent, respectively. In government banks, the credit extension of the Development Bank of the Philippines (DBP) expanded by 147.47 percent while the Land Bank of the Philippines (LBP) increased its volume of lending by 22.88 percent. For the private banks, the Private Commercial Banks (PKBs) posted the highest lending increment at 56.32 percent. Moreover, the Private Development Banks (PDBs) and Stocks Savings and Loan Associations (SSLAs) slowed

down their credit support by 3.94 percent and 1.86 percent, respectively, compared with the previous year's records. In contrast, the agricultural production loans supplied by Savings and Mortgage Banks (SMBs) decreased by 3.12 percent. Meanwhile, Rural Banks (RBs) recovered from previous year's reduction in its lending capacity and registered an increase in the volume of loans by 10.00 percent (Table 3).

**Table 1.**  
**Amount and share of agricultural production loans**  
**in agricultural loans, Philippines, 2013-2017**

YEAR	AGRICULTURAL PRODUCTION LOANS	
	AMOUNT (in Million PhP)	GROWTH RATE (%)
2012	211,423.10	
2013	227,871.47	7.78
2014	246,663.77	8.25
2015	268,135.14	8.70
2016	271,204.30	1.14
2017P	350,382.50	29.20

**Table 1. (Concluded)**

YEAR	AGRICULTURAL LOANS (P)		SHARE OF AGRICULTURAL PRODUCTION LOANS TO AGRICULTURAL LOANS (%)
	AMOUNT (in Million PhP)	GROWTH RATE (%)	
2012	669,595.70		
2013	339,704.28	-49.27	67.08
2014	330,484.26	-2.71	74.64
2015	473,960.47	43.41	56.57
2016	500,001.47	5.49	54.24
2017P	618,793.04	23.76	56.62

Note: P - Preliminary

Source: Agricultural Credit Policy Council



**Table 2a.**  
**Amount of agricultural production loans granted by institution,**  
**Philippines, 2013-2017**  
 (Amount in Million PhP)

YEAR	GOVERNMENT BANKS		
	TOTAL	DBP	LB
2013	34,132.00	800.70	33,331.23
2014	38,148.10	1,051.40	37,096.67
2015	45,918.97	1,225.80	44,693.21
2016	51,896.05	1,334.69	50,561.36
2017	65,435.00	3,303.00	62,132.00

**Table 2a. (Concluded)**

YEAR	PRIVATE BANKS					
	TOTAL	PKBs	PDBs	SMBs	SSLAs	RBs
2013	193,739.50	78,585.61	19,333.70	25,014.00	14,534.10	56,272.20
2014	208,515.70	84,640.35	22,198.60	25,628.90	16,375.40	59,672.50
2015	222,216.20	91,065.98	22,822.30	27,418.90	17,161.90	63,747.10
2016	219,308.20	108,994.00	24,670.66	28,998.43	18,185.22	38,459.90
2017	284,947.50	170,381.90	25,642.06	28,094.83	18,522.81	42,305.90

Private Banks include:

*PKBs - Private Commercial Banks*

*SMBs - Savings and Mortgage Banks*

*PDBs - Private Development Banks*

*RBs - Rural Banks*

*SSLAs - Stock Savings and Loan Associations*

Government Banks include:

*DBP - Development Bank of the Philippines*

*LBP - Land Bank of the Philippines*

Source: Agricultural Credit Policy Council

**Table 2b.**

**Percentage distribution of agricultural production loans granted by institution, Philippines, 2013-2017**

YEAR	TOTAL	TOTAL GOVERNMENT BANKS	TOTAL PRIVATE BANKS
2013	100.00	14.98	85.02
2014	100.00	15.47	84.53
2015	100.00	17.13	82.87
2016	100.00	19.14	80.86
2017	100.00	18.68	81.32

**Table 2b. (Concluded)**

YEAR	PRIVATE			SSLAs	RBs
	PKBs	PDBs	SMBs		
2013	34.49	8.48	10.98	6.38	24.69
2014	34.31	9.00	10.39	6.64	24.19
2015	33.96	8.51	10.23	6.40	23.77
2016	40.19	9.10	10.69	6.71	14.18
2017	48.63	7.32	8.02	5.29	12.07

Private Banks include:

*PKBs - Private Commercial Banks*

*SMBs - Savings and Mortgage Banks*

*PDBs - Private Development Banks*

*RBs - Rural Banks*

*SSLAs - Stock Savings and Loan Associations*

Government Banks include:

*DBP - Development Bank of the Philippines*

*LBP - Land Bank of the Philippines*

*Source: Agricultural Credit Policy Council*

**Table 3.**  
**Growth rates of agricultural production loans granted by institution,**  
**Philippines, 2013-2017**  
 (at current prices, in percent)

FINANCIAL INSTITUTION	2013	2014	2015	2016	2017
Government Banks	18.99	11.77	20.37	13.02	26.09
DBP	10.00	31.31	16.59	8.88	147.47
LBP	19.23	11.30	20.48	13.13	22.88
Private Banks	6.02	7.63	6.57	-1.31	29.93
PKBs	5.51	7.70	7.59	19.69	56.32
PDBs	5.00	14.82	2.81	8.10	3.94
SMBs	6.98	2.46	6.98	5.76	-3.12
SSLAs	4.80	12.67	4.80	5.96	1.86
RBs	6.99	6.04	6.83	-39.67	10.00
ALL BANKS	7.78	8.25	8.70	1.14	29.20

Private Banks include:

*PKBs - Private Commercial Banks*

*SMBs - Savings and Mortgage Banks*

*PDBs - Private Development Banks*

*RBs - Rural Banks*

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Government Banks include:

*DBP - Development Bank of the Philippines*

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Source: Agricultural Credit Policy Council

## **MODULES OF THE AGRICULTURAL INDICATORS SYSTEM**

1. Output and Productivity
2. Agricultural Structure and Resources
3. Economic Growth: Agriculture
4. Agricultural Exports and Imports
5. Food Sufficiency and Security
6. Food Consumption and Nutrition
7. Population and Labor Force
8. Redistribution of Land
9. Gender-based Indicators of Labor and Employment in Agriculture
- 10. Agricultural Credit**
11. Prices and Marketing of Agricultural Commodities
12. Inputs



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