7TH World Congress on Rural and Agricultural Finance

NOVEMBER 23rd to 25th 2022

MORELIA, MICHOACAN. MEXICO

Financing in Agri-food system transformation and Sustainable Agriculture

Wichai Paksa
Bank for Agriculture and Agricultural Cooperatives(BAAC), Thailand

FIRA ALIDE afraca APRACA NENARACA CICA SAFIN BID

BAAC at a glance

Vision

"To be a sustainable rural development bank"

Bank Outreach

- 7.9 million farm households (98% of total farm households)
- Branch Network 1,263 branches 2,001 ATMs 1,304 PAMs and 360 CDMs
- Number of employees: 22,367

Financial Sustainability (as of 31 March 2022)

Deposits 51.37 Bn USD

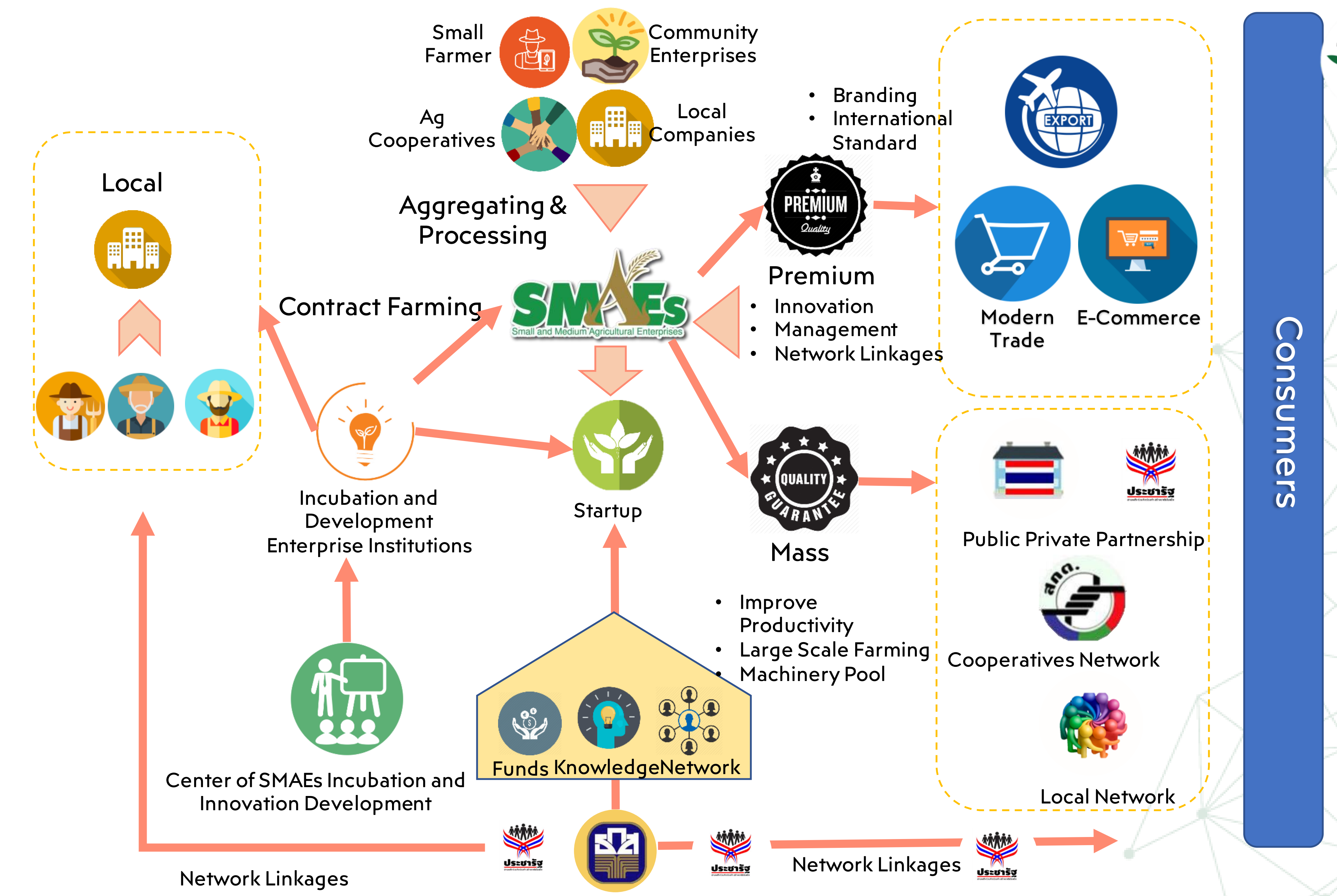
Loans 43.40 Bn USD

Assets 61.16 Bn USD

Major Changes and Development

- Pioneer Agricultural Credit (1967 – 1976)
- Develop Integrated Credit and Other Services (1977-1986)
- Extend Project Loans (1987- 1996)
- Modernize the System and Adopt the Sufficiency Economy Philosophy for Community Development (1997 - 2006)
- The Decade of Sustainable Solutions toward Farmers' Informal Debts Problem (2007 - 2016)
- Gear toward the Financial Institution for Rural and Comprehensive Agriculture Development (2017 – Present)

SMAEs Scheme for a Sustainable Agricultural Sector



Best Practices : Long-Loei Community Enterprise (Loei Province)

Product

- ❑ Products from coffee beans such as drip coffee and coffee capsule

Business Strengths

- ❑ Product from coffee beans that have been pollinated by bees
- ❑ Collecting in-depth information of each planting member

Supporting from BAAC

- ❑ Professional Farmer's Succession Program
- ❑ Project to develop innovative product drying system
- ❑ Several Training Programs e.g. New Gen Hug Hometown
- ❑ Working Capital Loan

Climate change challenges

Crops at risks

Paddy Rice

Milk Cow

Swine(Pig)

Maize

Casava

Breeding Cattle

Crop Insurance

Application

BAAC INSURE

BAAC's Green Finance

GREEN BOND

- The process of issuing and offering of green bond in accordance with the ASEAN Green Bond Standard and the International Capital Market Association Green Bond Principles
- In August 2020, BAAC has issued and offered two series of Green Bond, totaling 162 Mn USD
- 5-year green bond 121 Mn USD with a coupon rate of 1.76% p.a. and 10-year green bond 40 Mn USD baht with a coupon rate of 2.76% p.a.

MAIN USES

Go Green : Forest Credit

- Use the source of fund from Green bond 1.24 Mn USD
- Increase more than 120,000 trees and more than 350 tons of carbon dioxide stored

Green Credit

- Use more than 35 Mn USD from Green Bond
- Support environmental credit, e.g. renewable energy, water, pollution control

BAAC's Green Credit

01 Organic Production & Food Safety

- To meet the needs of consumers who focus on healthy food
- To promote the production of organic agriculture or food safety

Goal: The yield of food safety ≥240,000 Tons, Production are ≥ 1.5 Mn Hectares

02 Conserving Natural Resources & Environment

- To promote the conservation of natural resources and the environment
- To support pollution control and sustainable water management

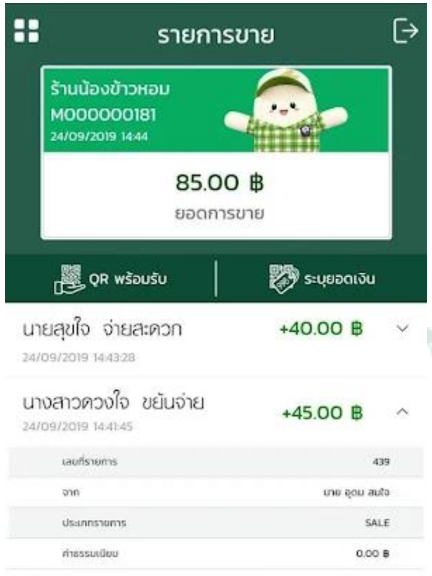
Goal: ≥160 environmental conservation project

03 Alternative & Renewable Energy

- To promote the use of alternative energy, renewable energy or clean energy

Goal: The amount of electricity produced ≥1.15 MW

Digital Service



BAAC A-Mobile Users:

2,445,355 users

A-shop:

12,301 shops

Nong Hom Jang shop (e-Wallet):

25,337 shops

QR Code Biller

3,330 locations

Key Take Away

Key Driver

The development of SMAEs as the main engine of supply chain driving in the agricultural sector is important

Value Chain Linkage

Upgrading the capabilities of key players in each chain and connecting networks throughout the supply chain will drive the agricultural sector to grow sustainably

Services Enhancement

Building a wide range of service capabilities to meet the needs of customers in each supply chain will create a solid foundation for future growth

Stakeholder Need

Developing financial products that do not only take into account specific customer needs or performance, but also stakeholders needs throughout the chain will result in sustainable growth of the organization