

## **Press Release – 4<sup>th</sup> November 2020**

### **Bank of Punjab, Engro Fertilizers launch warehouse receipt financing project to support farmers**

To address the food security challenges of Pakistan, Bank of Punjab and Engro Fertilizers Limited have entered into a collaboration to deliver accessible warehouse receipt financing to farmers, traders and processors, for the upcoming winter maize and basmati rice crop in Sahiwal and Muridke.

Under the project, farmers will be able to store their product in international standard silo storage facilities and obtain commodity-based financing against this inventory, which acts as a collateral for the banking institution.

Typically, farmers face immense pressure at harvest time to sell their crop at unfavorable prices due to limited quality storage options and urgent need for cash to invest in the next crop cycle. Traditional grain storage methods expose the product to quality degradation and potential infestations, which severely depletes or completely erodes its value. As a result, farmers and the agricultural sector of Pakistan do not reach their full potential.

By providing farmers a facility to store their produce safely and sell it at a time and rate of their choice, the warehouse receipt financing project will empower farmers through better economic outcomes and provide them sufficient cashflow to meet their expenses.

In a joint statement, Zafar Masud (President & CEO, Bank of Punjab) & Nadir Qureshi (CEO, Engro Fertilizers) shared that, “We are excited to partner on this initiative that has the potential to transform the agricultural landscape of Pakistan by promoting organized financial inclusion of small farmers and improving storage practices to reduce post-harvest losses significantly. Prioritizing the financial inclusion and well-being of small farmers is key to develop the agricultural sector, which in turn progresses Pakistan.”

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