



The role of the cooperative agricultural bank in agricultural activities after 2008: the role and impact in light of national initiatives

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ABSTRACT

After the year 2008, the Cooperative Agricultural Bank witnessed several ways of granting agricultural financing, which is the agricultural initiative, which includes seven specialized lending funds and the initiative of the Central Bank, in addition to agricultural loans from its own resources (short and long-term), where the highest amount granted through agricultural financing (958731). million dinars in 2012 with a contribution rate of (15.93%), while the lowest amount granted through agricultural financing amounted to (60923) million dinars and a contribution rate of (0.78%) in 2019.

Keywords:

Introduction

The Agricultural Cooperative Bank is an economic and financing unit specialized in financing the agricultural sector and is responsible for the lending policy in the country. Therefore, its support and development are necessary because it plays an important and vital role in economic activity through banking services and facilities provided, in order to increase and encourage agricultural investment and its progress, and thus investment of resources Impaired in exploiting large areas of land and reclaiming them for agriculture, as well as discovering the agricultural energies and expertise in the country and exploiting them to develop the bank's capacity according to modern advanced methods and means and to increase its capital for the success and development of agriculture in Iraq, which helps support the agricultural

sector in particular and push the wheel of activity economic, in general.

Research problem

The Agricultural Cooperative Bank suffers from a weak financing role in the agricultural sector activity in Iraq, which has contributed to the decline in the importance of agricultural activity against the popularity of the imported agricultural product.

Research importance

Directing agricultural financing towards the purposes for which it was granted is one of the important measures in addressing part of the structural imbalance of local production, as well as contributing to addressing the imbalance of the agricultural sector and increasing its productivity to reach self-sufficiency and the absence of the need for foreign products and thus maintain the currency within the country.

Research goals

1. Analysis of agricultural initiative loans through its seven specialized funds.
2. Analysis of central bank initiative loans.
3. Analysis of Agricultural Cooperative Bank loans from its own resources (short and long term).
4. The extent of the contribution of agricultural financing is represented by the agricultural initiative loans, the Central Bank's initiative and the bank's self-loans in the agricultural sector.

Research Hypothesis

The volume of agricultural financing granted by the Agricultural Cooperative Bank and its impact on the Iraqi agricultural sector

Research Methodology

The researcher used the deductive method to reach conclusions and recommendations.

Research structure

The structure of the research included two axes. The first axis dealt with agricultural banks (theoretical framework - role and importance), while the second axis dealt with agricultural financing granted by the Cooperative Agricultural Bank and its contribution to the Iraqi agricultural sector.

1-Agricultural banks (theoretical framework - role and importance)

1-1- the definition of agricultural banks

Agricultural banks are defined as "the banks that provide banking services to farmers that they need at the lowest costs and guarantees and protect them from the greed of usurers". (Al-Matroudi, 2014: 103)

While agricultural banks are known as ((these banks provide loans to farmers for a short period by guaranteeing crops for use in agricultural operations, to protect small farmers from the influence of usurers)). (Al-Serafy, 2007: 27). It is possible to define agricultural banks ((which are banks specialized in agricultural lending that grant farmers loans with different terms in return for a simple interest charged by the bank)). (Al-Obaidi and Al-Mashhadani, 2013: 90)

As agricultural banks are defined ((These banks undertake to provide the necessary credit to provide agricultural requirements

such as fertilizers, seeds, agricultural machinery and equipment, in addition to transferring modern technology methods to modernize agriculture and increase agricultural production. (Abdul Baqi, 2016: 6) As well as they are defined ((Agricultural banks are concerned with agricultural financing, the purpose of which is to expand the agricultural area in the country, for rural development, to face agricultural crises, in order to improve agricultural marketing efficiency and raise agricultural productivity through the introduction of modern agricultural technology)). (Saad, 2013: 48)

1-2- The importance of agricultural banks

Most countries have realized the importance of specialized banks for their great role in the process of economic development, so they have established many of them to provide more loans of various terms that are needed by each economic sector. When it engages in the banking business and provides credit on its resources and government support, and due to its limitations in accepting deposits, it often resorts to commercial banking despite the difference in the entry of these banks into the business of commercial banks, but the Industrial Development Organization of the United Nations considered this trend one of the important developments in the work of specialized banks during the eighties of the last century in most economies. (Gias, 2012: 83)

1-3- The role of agricultural banks in economic development

These banks play the role of a pioneer or initiator, as they lead an initiative (in anticipation of future demand) as it is in the transfer of technology, conditions of uncertainty and strategic projects. In addition to its role as a bank of last resort for projects that are not financed by other financial institutions, so it encourages creative economic activities. (Adfiap, 2012:3) Given the low marginal propensity of developing countries to save and invest in economic projects, the burden of large investment falls on the responsibility of the state through its future plans, while the role of agricultural banks is determined in the investment financing of productive activities. Therefore, the expansion

of those production activities as one of the requirements of economic development will be accompanied by a decline in the level of performance and a decrease in production efficiency.

2-the role of the Agricultural Cooperative Bank in the Iraqi agricultural sector in light of national initiatives

2-1- Specialized loan funds for the agricultural initiative

The Agricultural Cooperative Bank is one of the implementing agencies of the agricultural initiative, along with the Ministries of Agriculture and Water Resources. The Higher Committee for the initiative is responsible for supervising and following up on the work of these entities. The work of the Bank represents the subject of study through the specialized funds for agricultural initiative loans, which we will review in detail as follows: **(Agricultural Cooperative Bank, Bank Credit Division)**

2-1-1- Small Farmers Fund

This fund includes financing various purposes, including field crops, wheat and barley, yellow corn, rye, jet and alfalfa, spring and autumn potatoes, green fodder cultivation, summer crops of various vegetables, establishing new citrus orchards and addressing the problems of these orchards, construction of greenhouses, and beehives Honey, oil crops (sunflower, sesame, cotton). For all the above purposes, the percentage of the loan granted to farmers is (80%) of the cost of work, and with regard to loan guarantees, it is either a personal guarantee, a real estate guarantee or a bill of exchange, and all loans for these purposes are disbursed in two instalments and are refunded for a period not exceeding one year (refundable in one annual instalment).

Except for the loans of spring potatoes, autumn potatoes, corn of various kinds, and summer and winter vegetable crops, they are refunded in two annual instalments. As for the loans for establishing greenhouses, they are disbursed in three instalments and are refunded in eight annual instalments, while loans for the construction of beehives and cultivation of green fodder are refunded in four annual instalments.

2-1-2- Livestock Fund

This fund aims to develop livestock projects by financing the purposes assigned to it, such as rehabilitating fish lakes, establishing and rehabilitating a cold and freezing store, establishing and operating projects for broiler chickens, table egg chickens, raising broiler mothers, establishing a poultry project, raising grandparents, and raising chickens.

Buffaloes, raising dairy cows, raising ewes, fattening calves and lambs, establishing and operating hatchery projects, operating and rehabilitating a poultry slaughterhouse, constructing and renovating a feed mill, slaughterhouse and hatchery, purchasing fishing boats, purchasing ships and boats, and fish lakes. The amount of the loan granted shall be (100%) of the actual cost of establishing the project or the cost of restoration and rehabilitation, according to the prevailing market prices on the date of exchange. It is (20%) of the loan amount in advance and the rest is disbursed in two instalments according to the stages of completion of the work, and the loan amounts are recovered in two annual instalments, except for the loans for raising chicken mothers and raising grandparents, which are recovered in four annual instalments. Redeemable in six annual instalments.

2-1-3- Agricultural Mechanization Fund

This fund grants loans to farmers for the purpose of purchasing drawers and harvesters, sprinkler and drip irrigation systems, drilling surface and artesian wells, setting up pumping crews, as well as constructing water storage basins, and maintaining pullers and harvesters. We find that the fund contributes to providing all requirements for obtaining modern machinery and equipment, with the aim of mechanizing agriculture and increasing the reclamation of agricultural land.

For all the mentioned activities, the percentage of the loan given to the farmer is (100%) of the total purchase price, if the purchase is from the government sector, but if the purchase is from the private sector, the percentage is (80%) of the purchase price, and for the guarantees of these loans, it is in the form a personal guarantee, a real estate guarantee, or a bill of

exchange, and the loan amount is to be divided into five equal annual instalments, except for the purchase of harvesters in ten annual instalments, and the loan is not disbursed unless there is a letter available from the entity that provides or implements the activity.

2-1-4- Palm orchards box:

This fund includes financing activities related to establishing new palm orchards, servicing and developing old orchards, as well as constructing and rehabilitating date stores, establishing date presses, and rehabilitating and developing date presses. The percentage of the loan granted to farmers is (80%) of the cost of work, except for the construction and rehabilitation of dates stores and the construction and rehabilitation of date presses.

The percentage of the loan granted to farmers is according to the assessment of the lending committee in the governorate. All loans granted to the above activities are disbursed in the form of two payments and are refunded in six annual instalments. The first instalment is due, after two years from the date of disbursement. As for Basra governorate, it is disbursed in two instalments and refunded with (5-3). Annual instalments, and loan guarantees, it is a personal guarantee, real estate guarantees, or a bill of exchange.

2-1-5- Major Strategic Projects Fund

This fund grants loans to agricultural companies and people who want to obtain loans amounting to more than (250) million dinars, and for all agricultural and animal purposes and projects to rehabilitate manufacturing industries (rehabilitation of meat factories, pickles, biscuits etc.), the establishment of livestock projects, and rehabilitation and operating livestock projects, greenhouses, digging wells, purchasing irrigation systems, seasonal agriculture, establishing laboratories for textile farming, planting medical crops, and date presses.

The exchange rates and the repayment periods differ from one project to another, as the loans for livestock projects and greenhouses are disbursed in three equal payments, and are refunded in six annual instalments, the first instalment is due after two years from the date of disbursing the first payment. The

manufacturing industries are disbursed in two instalments and refunded in four annual instalments, the first instalment is due after one year from the date of disbursement of the first payment, as well as loans for projects to establish laboratories for textile agriculture and the cultivation of medical crops and date-press projects.

Two years have passed from the date of disbursement of the first payment. As for well-drilling projects loans, they are disbursed in two instalments and are refundable in five annual instalments, due after the lapse of one year from the date of disbursing the first payment. Loans for irrigation systems projects are disbursed in one payment and are refunded in five annual instalments, one year after the date of disbursing the first payment. All loans of this fund are documented with real estate guarantees sufficient to cover the required amount.

2-1-6- Sons of Iraq Fund

This fund was established after four years of the agricultural initiative, in 2012, to include all plant and animal activities, and its loans are granted in accordance with the terms and regulations of the agricultural initiative, with the aim of supporting the families of martyrs, political prisoners, the Awakening Sons of Iraq, and workers in all the agricultural sector, on that the amount of the purpose does not exceed (50) million dinars, with a contribution rate of (100%), of the project cost. **(Agricultural Enterprise Development Fund, 2013)**

2-1-7- Rural Women Development Fund

This fund was created, after years of the initiative's work, by a decision of the Higher Committee for the Agricultural Initiative in 2012, to support and develop rural women, for their contribution to the process of economic and social development, and to develop their skills and capabilities, through methods and extension and development programs, and the establishment of small rural projects, provided that The amount of the loan is from (25-5) million dinars.

(Rural Women Development Fund, 2012)

Table (1) shows the number of beneficiaries and the total amounts allocated and disbursed to the agricultural initiative funds through the

Agricultural Cooperative Bank for the period (2008-to 2019), where the Agricultural Mechanization Fund witnessed the largest share of the initiative's allocations throughout the study years, as the amounts disbursed through it amounted to (964) billion Dinars, amounting to (47,942) thousand beneficiaries, and it comes after it in terms of the amounts spent, the Small Farmers Fund, which amounted to (478) billion dinars, and the number of beneficiaries amounted to (38,991) thousand beneficiaries, and the share of the third fund was the share of the Strategic Projects Fund.

The amounts disbursed through it amounted to (299) billion dinars, with (636) beneficiaries, followed by the Livestock Fund, which amounted to (224) billion dinars, and the number of beneficiaries (9435) thousand beneficiaries, and then the Palm Orchards Fund, whose share of the amounts disbursed to the initiative for its own purposes amounted to (96) billion dinars, with a rate of (10552) thousand beneficiaries, while the amounts disbursed through the Rural Women Development Fund amounted to (4) billion dinars, and the number of beneficiaries is (549), while the lowest share was the Sons of Iraq Fund's share is (40) million dinars, and the number of beneficiaries is (4).

The table also shows the total amounts allocated to the mentioned funds, as the 2008 allocation amounted to (288000) billion dinars, while only (80) billion dinars were spent.

For all funds, the date of the launch of the agricultural initiative was in the last quarter of the aforementioned year, and the allocation for 2009 decreased from the previous year to (244,800) billion dinars, due to the global financial crisis and the drop in oil prices, and the amount disbursed for this year amounted to (142) billion dinars.

In 2010, the same allocation in 2008 was approved, amounting to (288000) billion dinars, and the amounts disbursed to all funds amounted to (215) billion dinars, as well as the same allocation amount, was approved for the year 2011, but the amounts disbursed exceeded the amount allocated for this year to become (506) billion dinars, which is the most

in terms of spending, and the amounts allocated for 2012 were exceeded, as the amount allocated for this year amounted to (201) billion dinars, while the amounts disbursed to all initiative funds amounted to (469) billion dinars, and the overrun continued.

Allocated for the purpose of stopping the allocation of the agricultural initiative in the state's general budget in 2016, and with regard to the over-disbursed amounts, they were disbursed from the amounts recovered from the initiative's loans. According to the directives of the Higher Committee for the Agricultural Initiative, it is worth noting that the last disbursement decisions for the year 2018 were taken based on the decision of the Higher Committee of the Initiative and that the loans of the Livestock Funds and the Investment Projects are only to complete the disbursement of previous payments, while the loans of the Agricultural Mechanization Fund are new loans for previously scheduled transactions.

Table (1): The number of transactions and the total amounts disbursed and allocated to the agricultural initiative funds through the Agricultural Cooperative Bank for the period (2008-2019) (thousand dinars)

Funds	Small farmers		Livestock projects		Agricultural mechanization		Palm orchards		Investment projects		Sons of Iraq		Rural women		Total		Amount disbursed
	Transactions	Amount	Transactions	Amount	Transactions	Amount	Transactions	Amount	Transactions	Amount	Transactions	Amount	Transactions	Amount	Transactions	Amounts allocated	
2008	4076	219068	2478	333182	1075	14453909	541	3667627	7	7466956	0	0	0	0	8177	80809542	288000
2009	4018	43091231	1314	18196635	4064	56174947	2858	15286368	47	9504266	0	0	0	0	12301	142253447	244800
2010	6029	68017029	458	12954097	7875	97716891	1632	11205478	73	25692763					16067	215586258	288000
2011	13881	166761523	1097	35317178	14314	229819983	2268	15220631	102	59681255	0	0	0	0	31662	506800570	288000
2012	6090	103221668	1287	34505883	13193	255507850	1665	20404685	128	55363112	1	100000	0	0	22364	469013198	201600
2013	2097	35310571	930	33884816	2152	114079285	1147	18349559	125	55168835	3	300000	0	0	6454	256823066	252500
2014	1899	24997170	594	23069475	2053	82078907	118	4041181	79	35365703	0	0	88	404500	4831	169956936	73000
20	573	8346	922	2427	2146	7590	193	5394	63	2954	0	0	360	1860	4257	145323	1000

15		249		5911		5626		211		1427				100		524	
2016	328	6904075	355	8509774	661	24905535	130	3000273	12	12028000	0	0	101	1886300	1587	57233957	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	316666	321	11072900	0	0	0	3482832	0	0	0	0	321	14872398	0
2019	0	0	0	427767	88	3202333	0	0	0	6562665	0	0	0	0	88	10192765	0
Total	38991	478551584	9435	224777184	47942	964918166	10552	96570013	636	299857814	4	40000	549	4150900	108109	2068865661	1636900

Source: Agricultural Cooperative Bank, Planning and Banking Operations Department, various years.

2-2- The Central Bank of Iraq's initiative loans

As a result of stopping the allocation of the agricultural initiative, the Iraqi government announced in 2015 the launch of a new initiative with the aim of economic reform and contributing to supporting the Iraqi economy, which is the initiative of the Central Bank, amounting to (5) trillion dinars, through financing specialized government banks, and a proportion (33%) of the Its value for the Cooperative Agricultural Bank to support agricultural sector projects is equal to (1666) billion dinars, with an interest rate of up to (4%) for a period of five years. The agricultural divisions of the agricultural directorates in each governorate. (Central Bank of Iraq, 2016).

The total amounts disbursed from the bank's initiative loans, and through the agricultural bank, reached (50) billion dinars, during the study period, in financing various fields of the agricultural sector, as shown in Table (2), where the amounts disbursed during 2016 amounted to the beginning of the launch of the initiative loans.

Central Bank (1466) million dinars, and these amounts increased in 2017 to reach (18423) million dinars, due to the increase in demand, while they decreased in 2018 to become (7617) million dinars, and returned to rise in 2019, the end of the research period to reach the amounts disbursed through the Central Bank's initiative loans through the Agricultural Bank (23325) million dinars.

Table (2): The total amount disbursed through the Central Bank initiative (5 trillion) through Agricultural Bank for the period 2016-2019 (thousand dinars)

Years	Amounts	Purpose of the loan
2016	1466000	These amounts were spent in various fields of the agricultural sector (purchasing production cars, fruits and vegetables, establishing and operating floating fish cages, establishing and operating a poultry field, establishing and operating a broiler project, laying chickens, poultry slaughterhouse, honey apiary, purchasing dairy cows, a factory Molasses, dates store, buy harvesters and agricultural pullers, fattening calves and lambs, constructing greenhouses, constructing cold and freezing stores, constructing a palm orchard, corn factory, constructing and operating an oil production plant and a dairy factory, constructing agricultural offices, digging a well, constructing a fodder factory, agriculture wheat, shrubs, and potatoes)...and other agricultural projects.
2017	18423350	
2018	7617131	
2019	23325290	
Total	50831771	

Source: Agricultural Bank, General Center, Bank Credit Division, various years

2

-3- Agricultural loans granted from the bank's own resources:

The Cooperative Agricultural Bank is the responsible authority that specializes in financing the agricultural sector by granting types of agricultural loans (short, medium and

long term) from its own resources and divided according to the terms and purposes (Al-Aqeedi and Al-Saadi, 2012: 27)

2-3-1- Short-term loans

They are loans with a period of less than one year, granted for the purposes of agricultural

equipment, greenhouses and livestock projects, as well as for the initial work of agriculture, such as ploughing, purchasing seeds, fertilizers and pesticides, and final works such as harvesting and marketing.

2-3-2- Medium-term loans

These are loans of no more than five years and no less than one year and are provided for projects of machinery, pumps, agricultural machinery, orchard development projects, and well drilling.

It was found that no amounts were disbursed through this type of loan during the research period, due to the farmers' fear of not paying them during the period, as well as the risk that they would be exposed to losses as a result of damage to their orchards resulting from war and vandalism, or the theft of their machines. But this does not hide the importance of medium-term loans to the agricultural sector, as they include agricultural mechanization loans, which have a major role in increasing production, reducing losses and shortening time. (Grio, 2015: 62)

2-3-3- Long-term loans

These loans have a term of no more than fifteen years, and not less than five years, and include loans granted to large agricultural projects, such as land reclamation, drilling of wells of different depths, cold stores, and the purchase of large agricultural machinery and equipment. Table (3) shows the short and long-term loans granted from the Agricultural Cooperative Bank's own resources for the period (2008-2019), as the short-term loans amounted to (85686044) thousand dinars and the number

of transactions (20,788), while the long-term loans amounted to (57643493) thousand dinars and the number of transactions is (101556) for the year 2008, and in 2010 the short-term loans decreased to (37261566) thousand dinars and the number of transactions (3987).

Likewise, long-term loans decreased to reach (170408866) thousand dinars, with a number of transactions (12715), due to the launch of agricultural initiative loans and farmers' orientation to them because they are granted without interest, unlike the bank's self-loans. Agricultural loans rose in 2012 to (209118652) thousand dinars for short-term loans.

The long-term amounted to (280,600,863) thousand dinars, and this is due to the exemption of the bank's loans from its own resources from interest, similar to the loans of the agricultural initiative by the Ministry of Finance, provided that the ministry bears the interests arising from the bank's loans, and it returned to decline in 2016 as short-term loans became (50391892) thousand Dinars with the number of transactions (3,097), while long-term loans amounted to (181207613) thousand dinars with the number of transactions (3902), due to the launch of the Central Bank's initiative through the Agricultural Bank and at a lower interest rate of up to (4%), and in 2019 the short-term loans amounted to (9592364) thousand dinars with the number of transactions (448) and long-term loans amounted to (17814390) thousand dinars and the number of transactions (833).

Table (3): Short-term and long-term loans granted from the Agricultural Cooperative Bank's own resources for the period 2008-2019 (thousand dinars)

Years	Number of transactions	Short-term loans	Number of transactions	Long-term loans
2008	20878	85686044	101556	57643493
2009	39644	111328217	105022	40460466
2010	3987	37261566	12715	170408866
2011	6344	46486000	13517	233478321
2012	(*)	209118652	(*)	280600863
2013	(*)	187828675	(*)	130022450
2014	3292	65907466	5396	202652000
2015	3352	54031516	3683	336148634
2016	3097	50391892	3902	181207613

2017	1020	40810784	1398	77427134
2018	230	3760850	295	17245000
2019	448	9592364	833	17814390

Source:

- 1) Agricultural Bank, Department of Planning and Banking Operations, 2019.
 - 2) Ministry of Planning, Central Bureau of Statistics, Agricultural Statistics, various years.
- (* Unavailability of the number of transactions within the data.

2-4- The contribution of agricultural financing granted through the Agricultural Cooperative Bank in the Iraqi agricultural sector

Table (4) shows the contribution of agricultural financing provided by the Cooperative Agricultural Bank through the bank's own resources represented by (short and long-term) loans, agricultural initiative loans, and central bank initiative loans, where the percentage of agricultural financing amounting to (224138) million dinars from the agricultural sector amounted to (4730388.9) million dinars, (4.74%) for the year 2008. The highest percentage of agricultural financing amounted to (958731) million dinars from the agricultural sector, which amounted to (6019561.4) million dinars (15.93%) for the

year 2012, due to the increase in the demand for bank loans from its own resources due to the cancellation of the benefits arising from it, similar to the loans of the agricultural initiative, provided that the Ministry of Finance bears this amount of interest on the one hand and on the other hand due to the increase in the bank's capital from (600) million dinars to (50600) million dinars, while the lowest contribution rate for financing the agricultural sector amounting to (60923) million dinars from the agricultural sector amounting to (7773,136.1) million dinars (0.78%) in 2019 due to the suspension of the allocation of the agricultural initiative funds from 2015 and the return of interest on bank loans from its own resources, despite the launch of the Central Bank initiative in 2016.

Table (4): Percentage of agricultural financing contribution granted by the Agricultural Cooperative Bank in the agricultural sector in Iraq for the period (2008-2019) (million dinars, %)

Years	The agricultural sector at constant prices (1)	Amounts of self-resources		Amounts of agricultural initiative (4)	Amounts of the Central Bank's initiative (5)	Total agricultural financing (6)	Contribution percentage 1/6
		short term loans (2)	Long-term loans (3)				
2008	4730388.9	85686	57643	80809		224138	4.74
2009	4898773.2	111328	40460	142253		294041	6.00
2010	5560828.4	37261	170408	215586		423255	7.61
2011	6465656.3	46486	233478	506800		786764	12.17

2012	6019561.4	209118	280600	469013		958731	15.93
2013	7459173.9	187828	130022	256823		574673	7.70
2014	7309016.0	65907	202652	169956		438515	6.00
2015	4613210.7	54031	336148	145323		535502	11.61
2016	4598970.6	50391	181207	57233	1466	290297	6.31
2017	3863223.0	40810	77427	0	18423	136660	3.54
2018	5318242.3	3760	17245	14872	7617	43494	0.82
2019	7773136.1	9592	17814	10192	23325	60923	0.78

Source:

- 1) Ministry of Planning, Central Statistical Organization, Directorate of National Accounts, various years.
- 2) Cooperative Agricultural Bank, financial section, agricultural initiative data, various years.
- 3) Cooperative Agricultural Bank, Credit Department, Central Bank Initiative data, various years.

Conclusions and Recommendations**Conclusions**

1. The agricultural initiative faced several challenges that weakened it and distanced it from its goal of achieving food security, most notably the multiplicity of executive agencies, which affected the bank's lending policy, and the bank's burden on the initiative's loan costs through expansion of infrastructure and staff, which caused the bank's structure to sag and drain its head his money, as well as using the amounts recovered from the agricultural initiative loan repayments and re-lending them again according to the directives of the initiative's higher committee.
2. Weak implementation of the financing of the Central Bank initiative by the Agricultural Bank, as the proportion of the amounts spent compared to the amounts allocated to the initiative is very small due to red tape and the lack of promotion.
3. The farmers' reluctance to apply for agricultural loans from the bank's own resources and directing them to the agricultural initiative loans as they are granted without interest or less interest, unlike the bank loans that are interest-bearing, which was negatively reflected in the agricultural bank's role in financing agricultural activity, as well as

the bank's failure to grant loans medium term during the research period.

Recommendations

1. Putting the allocation of the agricultural initiative at the disposal of the policy of the Agricultural Bank exclusively because it is specialized in agricultural work, and the role of the executive authorities is to monitor and follow up only and to charge the costs of the initiative to the amounts allocated to it and return the refunds from agricultural initiative loans to the state treasury and allocate them again to ensure that there is no interference in the accounts Emphasis on the role of the agricultural card to guarantee the rights of the farmer in a way that ensures an increase in the efficiency of agricultural activity.
2. Giving importance to the loans of the Central Bank's initiative by paying attention to its promotion and the arrival of guidance teams to agricultural and rural areas to encourage farmers to obtain them, as well as reducing routine through facilitating procedures for transactions, because the time factor is important for agricultural crops of all kinds, summer and winter.
3. The bank, at times of launching government initiatives, directs its own resources towards commercial and housing activities, as it

operates in a comprehensive banking system that has a higher return than agricultural activities. It has a significant role in shortening time, reducing losses and increasing production.

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