

TADB
Tanzania Agricultural
Development Bank
"The Farmers' Bank"

Product booklet Manual

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About TADB

Background

Tanzania Agricultural Development Bank Limited (TADB) is a Government Institution established under the Companies Act, 2002 and licensed under the provisions of the Banking and Financial Institutions Act No 5 of 2006 and the Banking and Financial Institutions (Development Finance) Regulations, 2012. The bank among other it has the following key objectives: -

- To improve productivity in the agriculture sector by supporting infrastructure development like Irrigation schemes, transportation, storage, market infrastructure, processing etc.
- To play a leading role as an apex agricultural development bank, and catalyse other banks and financial institutions to participate actively in financing of agriculture value chains;

To mobilize low-cost sustainable financial resources for affordable agricultural financing and enhancing financial inclusion for subsistence and smallholder farmers;

- To promote modernization and commercialization of small scale farmers;
- To engage with the Government, Strategic partners and relevant stakeholders in developing and implementing agriculture development policies as well as initiatives to enhance financial inclusion;
- To enhance adherence to the good corporate governance principles with a view to increasing compliance and efficiency, in organizational performance.

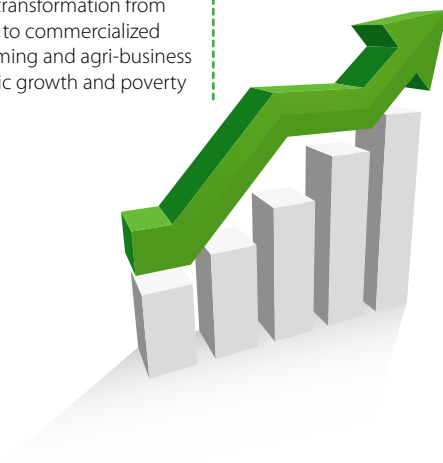


Vision

To be a world-class model agriculture development bank that supports and promotes Tanzania's agriculture transformation from subsistence to commercialized modern farming and agri-business for economic growth and poverty reduction.

Mission

To facilitate development and support transformation of the agriculture sector by providing short, medium and long term finance to agriculture projects in Tanzania that promotes economic growth, food security and reduction of poverty.



Core values

Integrity

We advocate and demonstrate high levels of integrity in all aspects, including ethical conduct, transparency, respect, objectivity and accountability in discharging our duties.

Innovation

We embrace innovation in all undertakings of the bank in terms of products and services design and delivery, to continuously improve performance and operational efficiency.

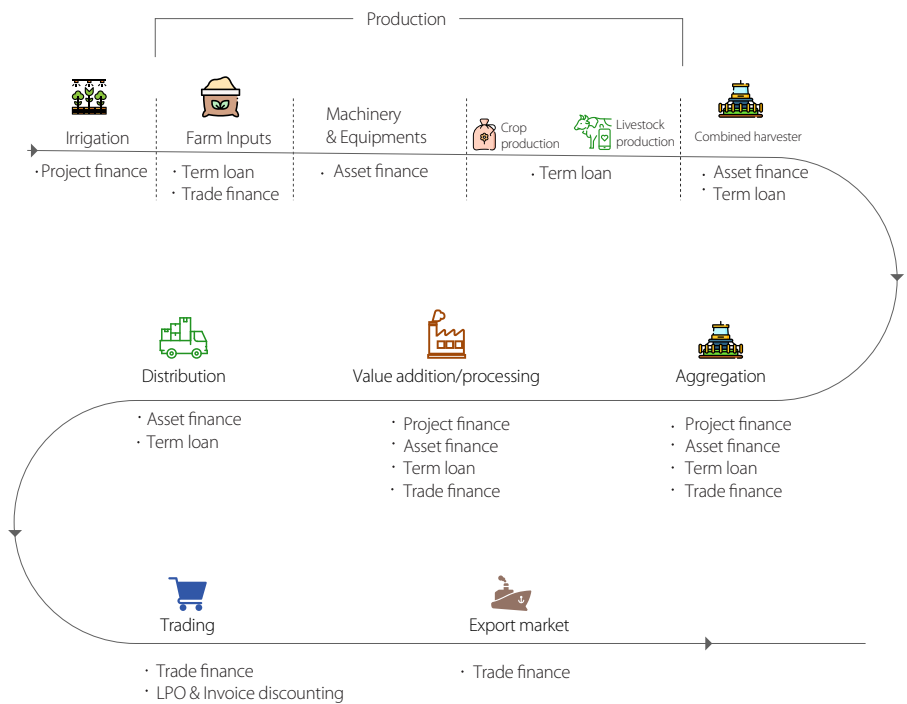
Professionalism

We value and exercise professionalism in carrying out our daily business activities, which is demonstrated by constant pursuit, acquisition and deployment of technical knowledge and skills, and compliance with laws, regulations and standards.

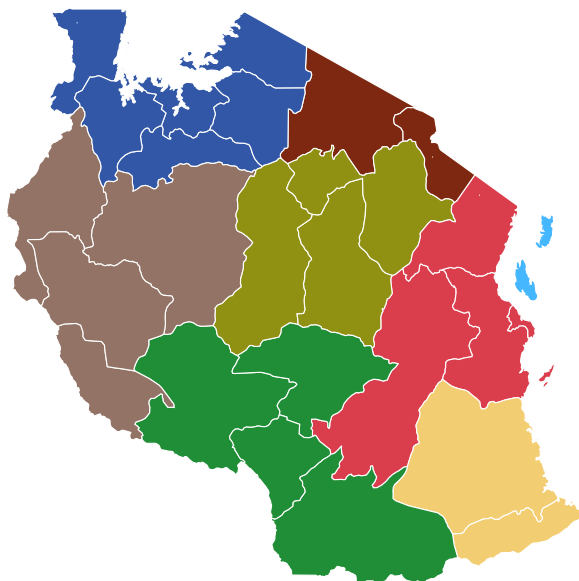
Team work









We promote and embrace teamwork spirit among staff, and with customers and partners; aimed at enhancing cooperation, and sharing of knowledge and experience from different backgrounds and disciplines; for the attainment of organizational goals and objectives.

APPROACH: CLUSTER BASED VALUE CHAIN FINANCING



Our Coverage



	Lake zone Cluster Kagera, Mwanza, Mara, Shinyanga, Geita, Simiyu		Central Cluster Dodoma, Manyara, Singida
	Western Cluster Kigoma, Tabora, Rukwa, Katavi		Nothern Cluster Arusha, Kilimanjaro
	Southern Highlands Cluster Mbeya, Songwe, Iringa, Njombe		Eastern Cluster Dar es salaam, Coast, Tanga, Morogoro
	Southern Cluster Lindi, Mtwara, Ruvuma		Zanzibar Cluster Unguja and Pemba

Cluster offices

DAR ES SALAAM HEADOFFICE

Accacia Estate Building
4th Floor Plot 84 - 14109 Kinondoni,
Kinondoni Road,
P.O. Box 63372 Dar ES Salaam, Tanzania
Phone : +255 22 292 350/2.

DODOMA ZONAL OFFICE

PSPF Dodoma Plaza
5th Floor Plot 284 NCC Link Area,
Benjamini Mkapa Road,
P.O. Box 2143 Dodoma, Tanzania.
Phone : +255 26 2963849.

MWANZA ZONAL OFFICE

TBA Building
Ground Floor Ex. TRA Office,
Postal Road,
P.O. Box 141 Mwanza, Tanzania.
Phone : +255 28 2541763

MBEYA ZONAL OFFICE

Plot No. 28 Block E
Jacaranda Street,
P.O.Box 2581 Mbeya, Tanzania.
Phone : +255 25 2503053.

KIGOMA ZONAL OFFICE

Ushirika Building
Shede Street & Bangwe Road,
Kigoma



Tanzania Agricultural Development Bank (TADB) shape your future with tailor made development financing solutions to meet your need. We partner with other banks to unlock your project potentials through different approaches be, Re-financing, Direct landing, Co-finance and Guarantees.

1. Asset finance

This is intended to finance purchase of assets for facilitating agriculture mechanization i.e. tractors, harvesters, planters, irrigation equipment's, agriculture value addition machines and equipment's, post-harvest management equipment's/ technology and other asset finance needs intended to increase productivity, value addition and marketing .

The loan is payable depending on the repayment plan, project cash flow, and based on loan category i.e. short term loan, medium term loan or long term loan. Repayment of the loan is in installments and based on the payback period.



PURPOSE OF THE LOAN

To finance purchase of agricultural assets like Purchase of tractors, planters, harvesters, equipment's & machinery, Purchase of Post-harvest management technology (Silos, Purchase of vehicles / trucks, Irrigation equipment(Sprinklers, Drip irrigation kits, pivot systems), Purchase of fishing boats and equipment's.



TARGET MARKET

SHF's, Organisations, SME's, livestock keepers, Aggregators, Fishing organization.Associations (ROSCAs)



LOAN AMOUNT

Loan amount for asset finance should not exceed 75% of the asset costs.

Note: All asset finance loans to be based on the viability of the project finance business proposal from the borrowers.



REPAYMENT TERMS

To be paid in instalments(monthly, quarterly or semi-annually) inclusive principle and interest based on cashflow realization



TIME DURATION

Maximum 1 year



TIME DURATION

1year



2. Project finance

This is the long-term financing of infrastructure and industrial projects based upon the projected cash flows of the project and Past Financial Statements of the sponsor.

It is intended to finance agricultural value chain infrastructure requirements such as building irrigation schemes, modern storage warehouses, marketing centers and other agriculture infrastructure loan requirements for building and strengthening agriculture value chains. The loan is payable depending on the repayment plan, project cash flow, and based on loan category i.e. short term loan, medium term loan or long term loan. Repayment of the loan is in installments and based on the payback period.



PURPOSE OF THE LOAN

To finance Pre & Post harvest activities (i.e. farm preparation, purchase of inputs, maintenance & harvesting), Purchase of Animals (i.e. livestock, poultry, fish fingerlings).



TARGET MARKET

SHF's, Organisations, SME's, livestock keepers, Aggregators, Fishing organization.



LOAN AMOUNT

Loan amount for term loan should not exceed 75% of the project costs.

Note: All term loans to be based on the viability of the project finance business proposal from the borrowers



REPAYMENT TERMS

To be paid in instalments(monthly, quarterly or semi-annually) inclusive principle and interest based on cashflow realization



GRACE PERIOD

Maximum 2 years



TIME DURATION

1-15 years



3. Seasonal loan

This is a monetary loan that is repaid in regular payments over a set period of time. Seasonal loans usually last between one and three years. A term loan usually involves an unfixed interest rate that will add additional balance to be repaid.

Seasonal loans are generally provided as working capital for acquiring income producing assets (machinery, equipment, and inventory) that generate the cash flows for repayment of the loan.



PURPOSE OF THE LOAN

To finance Pre & Post harvest activities (i.e. farm preparation, purchase of inputs, maintenance & harvesting), Purchase of Animals (i.e. livestock, poultry, fish fingerlings), purchase of animal feeds.



TARGET MARKET

SHF's, Organisations, SME's, livestock keepers, Aggregators, Fishing organization.



LOAN AMOUNT

Loan amount for term loan should not exceed 75% of the project costs.

Note: All term loans to be based on the viability of the project finance business proposal from the borrowers



INTEREST RATE

Smallholder farmers, Livestock keepers, Fisheries - 8% - 12%.

Medium and large scale farmers - 13% - 15%.



TIME DURATION

1-3 years



4. Insurance

Insurance Premium Finance & Bank Insurance

An insurance premium is the amount of money an individual or business pays for an insurance policy. This is a loan product designed to finance payment or covering costs of non-life insurance premium due to an insurance company from the Insured. Whereby the Bank enters into an agreement with the Insurer and the Insured whereby the Bank agrees to pay immediately in full the insurance premium of the Insured on the terms and conditions stipulated in the IPF Agreement.



PURPOSE OF THE LOAN

The maximum repayment period on IPF Loans shall not exceed 10 months. The Bank may at its discretion however consider granting IPF Loans for a longer period in view of various considerations such as previous relationship and existence of other securities availed by the Applicant. However, such longer period shall not in any case exceed one year.

Asset insurance for all risk, Agriculture insurance, Electronic equipment insurance, Credit life insurance (PASS credit guarantee, Africa Trade Insurance (ATI)), Motor vehicle insurance



TARGET MARKET

All value chain players involved in agriculture



LOAN AMOUNT

Loan amount for term loan should not exceed 75% of the project costs.

Note: All term loans to be based on the viability of the project finance business proposal from the borrowers



INTEREST RATE

9% for IPF.



TIME DURATION

12 months



5. Trade & Commodity finance

TADB provides comprehensive trade solutions to its customers using various payment methods to facilitate Local and cross-border trade in the agriculture Sector including offering unique intra-trade solutions, enabling its customer and financial Institutions to settle their trade transactions efficiently and to mitigate payment risks. Tanzania Agricultural Development Bank (TADB) works closely with clients in reviewing key factors regarding Transaction Processing, Settlement, Financing, Risk Mitigation and Credit Enhancement.

Import and Export Finance Facilities

Designed to bridge the trading shortfall between goods being received and the payment being made. This will include invoice finance, purchase order finance, off balance sheet lending, letters of credit and similar funding instruments

Pre and post shipment Finance Facilities

These are loan to provide working capital financing to traders matching the period to receiving proceeds from sales.

Structured Trade Finance

Specialized finance associated with commodity trading or other high value underlying products or large quantities

Avalised Bills Finance

Bank's undertaking on behalf of the importer, to honor, payments of Bills of Exchange from the supplier. This is applicable to both domestic and international trade.



PURPOSE OF THE LOAN

To finance purchase of agricultural assets like Purchase of tractors, planters, harvesters, equipment's & machinery, Purchase of Post-harvest management technology (Silos, Purchase of vehicles / trucks, Irrigation equipment (Sprinklers, Drip irrigation kits, pivot systems), Purchase of fishing boats and equipment's.



TARGET MARKET

SHF's, Organisations, SME's, livestock keepers, Aggregators, Fishing organization. Associations (ROSCAs)



LOAN AMOUNT

Loan amount for asset finance should not exceed 75% of the asset costs.

Note: All asset finance loans to be based on the viability of the project finance business proposal from the borrowers.



INTEREST RATE

Ranges between 8% to 15% per annum.



TIME DURATION

5-15 years

6. SCGS

Smallholder Credit Guarantee Scheme

The product is an individual or portfolio guarantee administered by TADB for agriculture loans extended to smallholder farmers by participating banks. The guarantee strives to mitigate the credit risk of underlying loans extended to agricultural sector. This product will unlock the challenge of low financing (Individuals, SMEs and entities) in the agriculture sector due inadequate collateral and other financial institutions to lend to small holder farmers groups. As a result these loan beneficiaries will be able to acquire farm implements, farm inputs (improved seeds, breeding stock, fertilizers and agrochemicals), irrigation equipment and other farm infrastructures, thereby transforming the sector and increasing its contribution towards economic growth.



PURPOSE OF THE LOAN

To encourage other banks improve access to lending smallholder farmers who are facing challenges to access finance from the financial sector hence adopt modern farming techniques to create employment, promote food security and transform operations from subsistence to commercial farming.

TARGET MARKET

Smallholder farmers, farmers groups and SME's directly linked to smallholder farmers.

LOAN AMOUNT

Agreed upon between TADB and the eligible Bank depending on the value chain to be financed.

INTEREST RATE

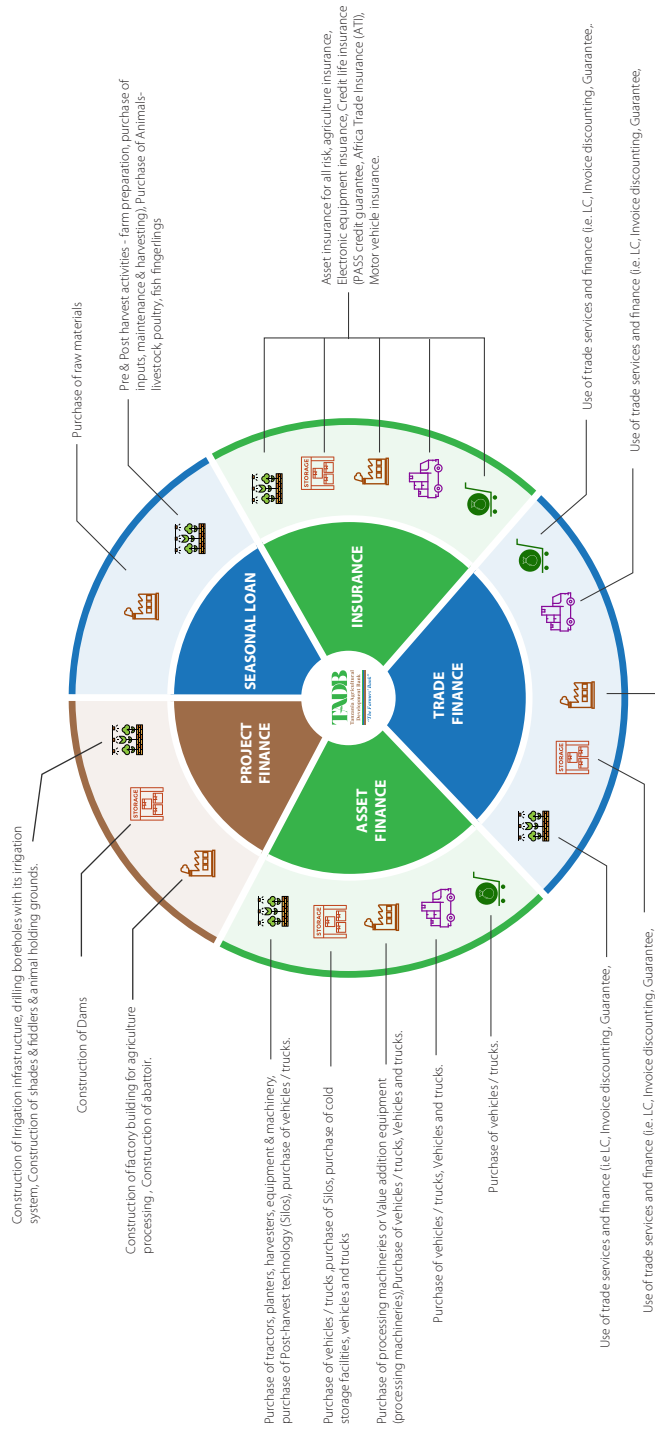
Depends on the participating bank

TIME DURATION

Depends on the participating bank



Products with value chain



Use of trade services and finance (i.e. LC, Invoice discounting, Guarantee)



Production



Aggregation



Processing



Distribution



Marketing



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