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# Assessment of Rural and Agricultural Finance and Financial Services in Colombia

## FINAL ASSESMENT REPORT

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## FINAL ASSESMENT REPORT English Version

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## Introduction

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This report presents the main results from a survey of farmers and businesses in rural municipalities in Colombia. The aim is to determine which financial services they currently have access to, the main characteristics of these services and the reasons why these actors use or avoid certain financial services. It also seeks to estimate the market potential of financial products based on the population's expected use in the future.

In this report, “enterprise” or “business” is understood as an open-to-the public business located in the urban center of rural municipalities. “Farmer” is defined as an agricultural producer living up to one hour away (via public transportation) from the urban center of these municipalities.

The first section of this report presents a summary of the results from primary sources collected during the demand survey. This is complemented by the second section, which includes an analysis of secondary sources on access to and usage of financial services within rural households in Colombia.

The third section presents the results of interviews with the main financial institutions that finance the agricultural sector in Colombia, including banks, leasing companies, and microfinance nongovernmental organizations (NGOs), as well as interviews with agrochemical companies, input suppliers and agro-industrial companies that purchase farmers' produce, with the aim of understanding the reality of financing schemes. Interviewees included staff at national-level headquarters and representatives working at the local level. Informal moneylenders were also interviewed.

The last section presents conclusions regarding the main barriers to financing productive activities in rural Colombia and suggested measures for overcoming them.

## 1 Demand

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To determine the situation regarding access to and usage of financial services in rural municipalities in Colombia, this section presents the results from the demand survey of farmers and rural businesses. The results are complemented with available information from secondary sources concerning rural households' access to and usage of financial services.

### 1.1 Farmers and rural businesses

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This section presents the main results from the demand survey of farmers and rural businesses carried out between May 27 and June 15, 2014.

The selection of the sample<sup>1</sup> followed strict technical parameters to be able to perform the expansion to the chosen sampling frame. The sampling process was as follows: Of Colombia's 1,102 municipalities, the 563 municipalities that fulfilled the rurality and security conditions were selected as the reference universe; the combined population of these municipalities was 7.5 million people. These municipalities were then grouped according to region and the presence of financial services in order to be able to select a random sample of 20 municipalities among the various groups.

In the field, blocks and dispersed rural settlements (in Spanish "veredas" ) from these municipalities were randomly selected and counted by scanning. Then, 528 businesses and 514 farmers were randomly selected for interviews, while ensuring that the selected respondent was either the head (of the business or farm) or someone who claimed to have a comprehensive understanding of the financial aspects of the productive activity.

The surveyed businesses represent all of the businesses in rural municipalities in Colombia with the same characteristics of the municipalities from the sample, while the farmers represent all of the farmers in rural municipalities living an hour away from the urban center. After applying the expansion factors, the results represent the situation of 48,000 farmers and 28,700 businesses in Colombia's most rural municipalities. This means that in a population of 7.5 million people, there are 3.8 businesses and 10 farmers for every 1,000 inhabitants.

In the tables in this section, the standard errors are reported in parentheses.

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<sup>1</sup> See Annex 1.

### 1.1.1 Characteristics of farmers and businesses

**In the livestock and agricultural sector, most farmers are men. In rural businesses, most entrepreneurs are women.** As shown in the table below, 72% of the farmers are men, and 55% of the businesses are run by women.

**Table 1. Respondents' gender**

	Total	Farmer	Business
<b>Male</b>	61.8%	72.1%	44.6%
	(4.8%)	(4.8%)	(5.0%)
<b>Female</b>	38.2%	27.9%	55.4%
	(4.8%)	(4.8%)	(5.0%)
<b>Total</b>	100.0%	100.0%	100.0%

Source: Econometría

From the sample, 94.6% do not belong to any ethnic group.

**Farmers are older than business owners.** As shown in the table below, 70% of farmers are over the age of 45, while only 51% of entrepreneurs are in this age range. Only 11% of farmers are aged 26–35 years, suggesting the possible migration of youth to the cities. There are no significant gender differences.

**Table 2. Respondents' age**

	Total	Type of activity		Gender	
		Farmer	Business	Male	Female
<b>18–25 years</b>	4.2%	1.1%	9.3%	1.9%	7.8%
	(0.8%)	(0.4%)	(1.0%)	(0.6%)	(1.7%)
<b>26–35 years</b>	14.3%	11.0%	19.8%	10.9%	19.7%
	(1.5%)	(2.5%)	(1.8%)	(2.2%)	(1.8%)
<b>36–45 years</b>	17.1%	15.2%	20.2%	17.4%	16.5%
	(1.1%)	(2.1%)	(1.7%)	(1.4%)	(2.7%)
<b>46–55 years</b>	28.8%	30.0%	26.8%	28.4%	29.5%
	(1.5%)	(1.5%)	(2.3%)	(1.3%)	(3.0%)
<b>56+</b>	35.6%	42.7%	23.8%	41.3%	26.5%
	(3.2%)	(4.0%)	(3.6%)	(3.6%)	(3.0%)
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Econometría

**Most farmers and entrepreneurs completed only primary school (54%).** The educational level of business owners is significantly higher than that of farmers: 47.2% of entrepreneurs attended high school, compared to 20.3% of farmers. Women have significantly higher levels of education: almost 41% attended high school, compared to just 23.9% of men (see Table 2-1 in Annex 2).

On average, farmers have more employees than rural businesses. They also have higher numbers of workers from the same household.

**Table 3. Average number of employees**

	Total	From same household	From different households
<b>Farmers</b>	3.5 (0.4)	2.0 (0.1)	1.5 (0.4)
<b>Business</b>	1.9 (0.05)	1.6 (0.04)	0.4 (0.03)

Source: Econometría

## ASSETS

**In terms of asset ownership, there are significant differences between rural businesses and farmers.** With regard to land, 76% of farmers own the land where they produce, but only 34% of businesses own the location (shop or building) where the business operates. In terms of equipment and machinery, businesses have more assets than farmers do. With regard to housing, farmers' housing is generally located inside the farm, while less than half of the entrepreneurs have their housing in the same location as the business.

**Table 4. Asset ownership among farmers and businesses**

	Farmer		Business	
<b>Housing in the same location as productive activity</b>	70.7%	(6.0%)	40.7%	(3.6%)
<b>Own cattle</b>	22.6%	(4.2%)	N.A.	N.A.
<b>Own the land where you produce</b>	75.6%	(3.1%)	N.A.	N.A.
<b>Own the location/ building of the business</b>			33.7%	(1.7%)
<b>Of those whose housing is not in the same land as the productive activity, those who own a house</b>	62.2%	(7.7%)	62.2%	(7.7%)
<b>Owens work equipment</b>	27.6%	(6.8%)	N.A.	N.A.
<b>Owens implements for the business</b>			50.1%	(2.2%)
<b>Owens electronic appliances at home</b>	89.5%	(1.7%)	94.4%	(1.1%)

Source: Econometría.

**Farmers' assets are concentrated in higher quintiles than businesses', though the difference is not statistically significant.** Regarding the reported value of their assets, 80% of farmers fall below the maximum level of assets defined by Finagro, and most businesses fall under the small category with less than two employees.

Adding up all of the assets of the interviewees as a proxy of the total wealth, the total value for farmers is COP39.5 billion, and the total value for businesses is COP27.1 billion.

**Table 5. Distribution of the value of assets by quintiles for farmers and businesses**

Assets by quintiles	Farmer	Business	Total
<COP7.2 Mill	22.1%	16.3%	20.0%
	(3.1%)	(1.9%)	(1.7%)
COP7.2 < COP20.6 Mill	15.8%	20.7%	17.6%
	(1.8%)	(2.2%)	(0.9%)
COP20.6 < COP40.2_Mill	17.4%	25.2%	20.3%
	(2.8%)	(4.2%)	(2.7%)
COP40.2 < COP80.7_mill	24.0%	20.7%	22.8%
	(1.0%)	(1.4%)	(0.7%)
More than COP80.7 Mill	20.6%	17.1%	19.3%
	(4.4%)	(3.7%)	(3.5%)
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Those municipalities with a greater presence of financial institutions have a higher concentration of assets in the highest quintiles compared to municipalities that have only bank agents (*corresponsales bancarios*). There highest concentration of wealth (in the form of assets) in the upper quintiles occurs in the Oriental and Central regions.

**Table 6. Value of assets by type of financial presence**

	Bank agents only	Banco Agrario	Banco Agrario + others	Total
<COP7.2 Mill	28.1%	15.8%	24.5%	20.0%
	(5.0%)	(1.2%)	(2.2%)	(1.7%)
COP7.2 < COP20.6 Mill	19.6%	15.9%	20.8%	17.6%
	(3.6%)	(0.5%)	(3.2%)	(0.9%)
COP20.6 < COP40.2_Mill	24.3%	20.6%	15.7%	20.3%
	(3.2%)	(4.3%)	(1.4%)	(2.7%)
COP40.2 < COP80.7_Mill	18.3%	26.2%	16.9%	22.8%
	(2.7%)	(1.0%)	(1.4%)	(0.7%)
More than COP80.7 Mill	9.7%	21.5%	22.1%	19.3%
	(7.3%)	(4.8%)	(4.3%)	(3.5%)
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Econometría

**Table 1B. Value of assets per quintile by region**

	Atlantic	Central	Oriental	Pacific	Total
<COP7.2 Mill	32.1%	17.6%	20.5%	10.3%	20.0%
	(0.7%)	(2.4%)	(3.7%)	(2.9%)	(1.7%)
COP7.2 < COP20.6 Mill	26.1%	14.6%	16.7%	16.1%	17.6%

	(1.2%)	(1.1%)	(1.9%)	(1.1%)	(0.9%)
<b>COP20.6 &lt; COP40.2_Mill</b>	11.2%	22.1%	18.0%	31.9%	20.3%
	(0.5%)	(4.8%)	(3.7%)	(7.3%)	(2.7%)
<b>COP40.2 &lt; COP80.7_Mill</b>	17.9%	26.4%	21.9%	23.8%	22.8%
	(0.4%)	(0.6%)	(1.4%)	(0.1%)	(0.7%)
<b>More than COP80.7 Mill</b>	12.8%	19.3%	22.9%	17.8%	19.3%
	(2.1%)	(4.2%)	(6.8%)	(9.0%)	(3.5%)
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Econometría

## LEVELS OF FORMALITY AMONG PRODUCTIVE ACTIVITIES

**Higher levels of formality were found among businesses compared to farmers.** For example, 59.3% of businesses have a commercial register, 62.5% keep accounts and 21.2% have their employees affiliated to social security. In contrast, among farmers, only 3.2% have a commercial register, 29.6% keep accounts and 10.4% have their employees affiliated to social security.

**Table 7. Formality of productive activity**

	<b>Total</b>	<b>Farmer</b>	<b>Business</b>
<b>Keep accounts</b>	41.9%	29.6%	62.5%
	(2.0%)	(3.1%)	(2.4%)
<b>Commercial register</b>	24.2%	3.2%	59.3%
	(2.2%)	(1.4%)	(4.0%)
<b>Workers affiliated to social security</b>	14.4%	10.4%	21.2%
	(1.1%)	(1.5%)	(2.3%)

Source: Econometría

Most businesses are in the wholesale and retail sectors (75%), with a small portion in the services sector (13.7%). A vast majority of farmers undertake agricultural activities (81.9%) and almost half undertake livestock activities (44.8%), with some undertaking both. Of those undertaking agricultural activities, 51.4% have permanent crops and 29.2% have temporary crops (see Table 2-2 in 2).

## ASSOCIATIONS AND PRICING FOR FARMERS

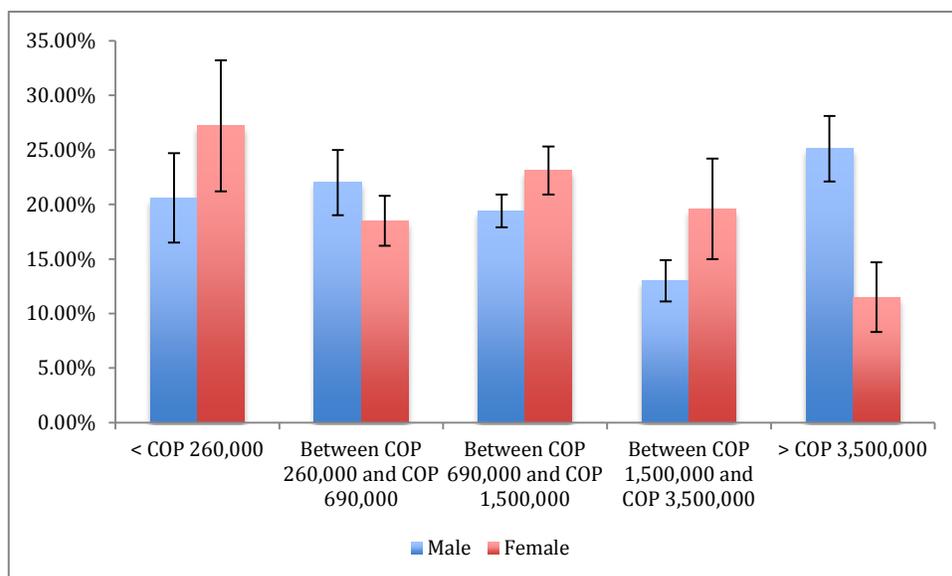
**Almost half of farmers (46.6%) confirmed the existence of associations in their village or in nearby dispersed rural settlement.** These associations offer technical assistance services as well as commercial and credit services. However, only 18% of farmers belong to an association; 38% sell their products to individual clients and 19% to associations or cooperatives.

**The prices of agricultural products are determined by supply and demand in the specific market for these commodities.** According to the majority of farmers, prices are determined at the moment of sale or are guided by the market. Only 1% said that prices are set before production.

## INCOME AND EXPENSES

**Income quintiles show differences based on gender, though not very significant.** Women's income is concentrated in the lowest quintiles.

**Figure 1: Income by gender**



Source: Econometría

**Although most of farmers' and businesses' income comes from their productive activity, they also receive other types of income.** Fifty-four percent of farmers and 42% of businesses receive income from other sources. Only 13% of farmers and 9% of business owners receive a salary.

**Among those who receive income from other sources, this income comes mainly from pensions and salaries.** Subsidies are not a significant source of income for these households, which relates to the fact that the sample is not necessarily representative of people living in extreme poverty. Most farmers and businesses receive their alternative sources of income in cash, with the exception of subsidies from Familias en Acción, which are received via bank transfer.

An additional exercise allows for an approximation of the total monthly household income: adding the monthly profit from productive activities and other sources of income, businesses earn an average of COP1 million per month, while farmers earn an average of COP2 million per month. These figures are consistent with other sources of information, such as the Colombian Longitudinal Survey of Wealth, Income, Labor and Land (ELCA)<sup>2</sup>, which shows an average monthly income of COP1.79 million among rural households in Colombia.

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<sup>2</sup> Los Andes University, 2013

Among businesses, the most significant expenditure is on goods needed to supply the business; among farmers, it is on production inputs, followed by labor expenses. All of these represent working capital financing needs.

### 1.1.2 Which financial services are accessible and which are used?

#### SAVINGS

Results from the survey show that 52.7% of farmers and rural businesses have some type of bank account. The main savings product to which they have access is a savings account. In total, 51% of this population has a savings account, while only 3% has a checking account. However, rural businesses have greater access to accounts than farmers do, as detailed below.

Table 8. Possession of savings and checking accounts among farmers and businesses

	Total	Farmers	Businesses
<b>At least one type of bank account</b>	52.7% (3.6%)	47.4% (3.9%)	61.6% (3.9%)
<b>Checking account</b>	3.0% (0.9%)	1.8% (1.3%)	5.0% (1.5%)
<b>Savings account</b>	51.0% (4.3%)	45.8% (4.7%)	59.8% (4.2%)

Source: Econometría

The highest percentage of farmers and businesses with at least one type of bank account is in municipalities that have a bank branch, whether Banco Agrario or another bank. This demonstrates that financial presence has an impact on the access to formal savings products. There are no significant differences according to gender.

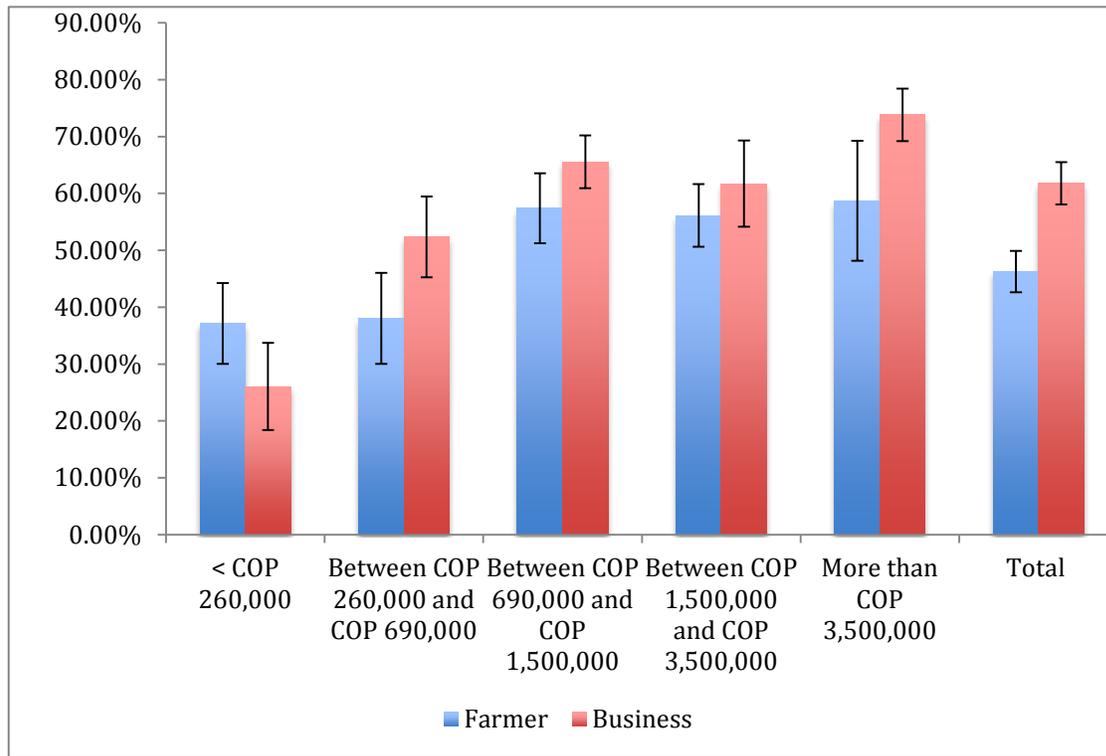
Table 9. Account tenure by financial presence and gender

	Type of financial presence			Gender	
	Bank agents only	Banco Agrario	Banco Agrario + others	Male	Female
<b>At least one type of bank account</b>	38.9% (7.8%)	56.0% (5.2%)	56.2% (5.7%)	53.5% (4.0%)	51.4% (5.0%)
<b>Checking account</b>	0.5% (0.3%)	4.2% (1.4%)	1.9% (0.8%)	3.8% (1.3%)	1.7% (1.0%)
<b>Savings account</b>	38.4% (7.5%)	53.6% (6.6%)	55.6% (5.5%)	51.0% (5.0%)	51.2% (5.0%)

Source: Econometría

Among income quintiles, there is greater access to formal savings as income increases. This is true for both farmers and businesses. Access to savings is greater for businesses than farmers at all income levels.

**Figure 2: Possession of savings account by income quintile**



Source: Econometría

**Farmers and businesses combine formal and informal savings and credit mechanisms, and they use surpluses to save and to pay debts.** In terms of the use of cash surpluses as an approximation of savings' use, the main uses (for both farmers and businesses) are home expenditures and business inputs. Paying debts is also an important use for surpluses, reported by 50% of farmers and businesses. Other frequent uses include buying electric appliances and assets for the business or home and investing in home improvements. Business owners behave differently than farmers, spending more money on housing and less on improving their productive activity. Different behaviors exist among genders as well: women spend less on house improvement, buy fewer assets, and pay fewer debts (see Tables 2-3 and 2-4 in 2).

**Thirty-eight percent of farmers and rural businesses save their surpluses, without significant differences between them.** However, those who have a savings account do not use it to save, for the proportion of those who have a savings account is greater than those who save at the bank when they have money left. Most who save money do so at home (69.5%), while some use formal institutions like banks or cooperatives (41.1% of entrepreneurs compared with 29.4% of farmers). These findings contrast with those regarding access to savings accounts: the percentage of people with a savings account is higher than the percentage of those who actually use this account to save surpluses.

**Table 10. Places used to save money by type of activity.**

	Total	Farmers	Businesses
<b>Home</b>	69.5%	73.2%	62.9%
	(3.4%)	(4.1%)	(3.1%)
<b>Bank or cooperative</b>	33.6%	29.4%	41.1%
	(3.2%)	(4.1%)	(3.1%)
<b>Informal savings group</b>	9.3%	8.6%	10.4%
	(4.4%)	(5.4%)	(3.9%)

Source: Econometría

**While most prefer to save cash at home, there is a difference among municipalities according to the type of presence of financial institutions.** The use of informal saving mechanisms is higher in municipalities where there is only a bank agent. Women tend to use informal mechanisms more than men. However, taking into account the standard error, these differences are not statistically significant.

**Table 11. Place used to save money by financial presence and gender**

	Type of financial presence			Gender	
	Bank agents only	Banco Agrario	Banco Agrario + other	Male	Female
<b>Home</b>	72.6%	65.0%	75.8%	72.1%	64.9%
	(6.4%)	(3.6%)	(8.5%)	(3.2%)	(5.2%)
<b>Bank or cooperative</b>	24.3%	42.8%	22.9%	32.9%	34.9%
	(1.9%)	(3.1%)	(8.0%)	(3.8%)	(6.9%)
<b>Informal savings group</b>	12.9%	9.2%	6.1%	8.0%	11.4%
	(8.8%)	(7.2%)	(4.0%)	(6.0%)	(5.8%)

Source: Econometría

**Those who do not save money at banks consider the fees too high and the banks too far away.** In terms of gender, there are no significant differences. In terms of productive activity, farmers are more concerned with the associated fees (see Table 2-5 in Annex 2).

**By type of presence both farmers and entrepreneurs consider the absence of a bank branch to be an important reason for not saving at a bank.** This is seen in the municipalities that have only bank agents, which may suggest that people are not aware that they can manage their savings account via bank agents. Though it is true that one cannot always open a savings account through a bank agent, withdrawals and deposits can be performed using this channel (see Table 2-6 in Annex 2).

## TRANSFERS

According to the survey, **39.2% of farmers and businesses sent or received money orders or transfers**. There is no significant difference according to gender or type of productive activity.

**Table 12. Farmers and businesses that sent or received money**

Type of productive activity		Type of financial presence			Gender		Total
		Bank agents only	Banco Agrario	Banco Agrario + other	Male	Female	
Farmer	Business						
36.3%	44.6%	33.3%	41.2%	39.70%	39.2%	39.7%	39.4%
(3.9%)	(4.7%)	(4.7%)	(5.8%)	(4.30%)	(4.1%)	(4.5%)	(3.6%)

Source: Econometría

**Among both farmers and businesses, the most common method for sending money is through money transfer operators.** Only 5.6% of farmers and businesses use money orders. As financial presence increases, so does the use of banks, while the use of informal channels (e.g., taxis, buses, and friends) decreases. The use of money transfer companies also rises with increased financial presence. However, cash continues to be an important method for receiving money, especially for women and in municipalities where there is only the Banco Agrario: 10% of respondents receive money in cash.

**Table 13. Mechanisms used to send money**

	Type of activity		Gender		Type of financial presence			Total
	Farmer	Business	Male	Female	Bank agents only	Banco Agrario	Banco Agrario + other	
<b>Money order</b>	3.4%	9.2%	5.9%	5.0%	1.6%	6.5%	6.7%	5.6%
	(1.1%)	(3.0%)	(0.9%)	(1.6%)	(0.4%)	(1.5%)	(1.7%)	(1.0%)
<b>Post office or money transfer company</b>	20.8%	25.2%	25.0%	18.3%	15.9%	23.5%	25.4%	22.4%
	(1.7%)	(2.3%)	(2.2%)	(2.7%)	(4.2%)	(2.1%)	(2.3%)	(1.7%)
<b>Account-to-account transfer</b>	11.3%	18.2%	11.7%	17.3%	10.1%	15.5%	12.7%	13.9%
	(3.2%)	(2.6%)	(2.9%)	(2.7%)	(6.1%)	(3.5%)	(3.0%)	(2.4%)
<b>Taxis, buses, friends</b>	5.7%	4.9%	4.1%	7.4%	9.2%	4.0%	5.8%	5.4%
	(2.0%)	(1.0%)	(1.3%)	(2.1%)	(5.3%)	(1.4%)	(2.4%)	(1.4%)

Source: Econometría

**When sending money, the most important attribute sought by respondents is security, followed by cost and speed.** Farmers prefer fast and safe mechanisms, while businesses prefer the most secure. In all municipalities, regardless of the type of presence of financial

institutions, security is still the primary criteria, followed by speed. Women tend to prioritize cost above speed (see Tables 2-7 and 2-14 in Annex 2).

**Most money orders are under COP154,000; however, it is important to point out the low representativeness of this result** (see Table 2-8 in Annex 2).

## CREDITS

Currently, 71.7% of farmers and businesses have debts, without significant differences according to gender.

**Table 14. Current debt by gender**

Male	Female	Total
72.3%	70.8%	71.7%
(2.7%)	(3.1%)	(2.6%)

Source: Econometría

**The two main sources of financing are formal and informal sources, followed by commercial sources.** As outlined in the table below, 49.4% of farmers and businesses have debts from formal sources.

**The type of financial presence in municipalities has no impact on access to formal sources of financing, though the use of informal sources decreases with the presence of financial institutions.** This is true for both farmers and businesses.

**Table 15. Current sources of debt**

Source of debt	Total		
	Farmers	Businesses	
<b>Formal (Banco Agrario, banks, cooperatives)</b>	49.4%	50.3%	48.0%
	(3.5%)	(6.2%)	(3.9%)
<b>Commercial (producers' associations, input shops, suppliers)</b>	16.8%	16.1%	18.0%
	(0.7%)	(1.6%)	(1.2%)
<b>Informal (friends, money lenders, pawnshops)</b>	23.5%	25.2%	20.6%
	(3.0%)	(3.9%)	(2.0%)

Source: Econometría

**Farmers and rural businesses also combine sources of financing according to their needs.** What is surprising in comparison to other household surveys is that the most frequent source of financing is formal, for both farmers and businesses.

**Table 16. Sources of debt by presence of financial institutions**

	Farmers			Businesses		
	Only bank agents	Banco Agrario	Banco Agrario + others	Only bank agents	Banco Agrario	Banco Agrario + others
<b>Formal (Banco Agrario, banks, cooperatives)</b>	49.3% (1.5%)	51.8% (0.1%)	47.1% (0.1%)	47.7% (5.6%)	47.9% (5.1%)	48.0% (3.9%)
<b>Commercial (producers' associations, input shops, suppliers)</b>	14.7% (2.7%)	18.7% (1.8%)	9.8% (3.4%)	18.1% (1.5%)	16.6% (2.8%)	18.0% (1.2%)
<b>Informal (friends, money lenders, pawnshops)</b>	30.2% (14.7%)	24.4% (2.8%)	21.4% (3.1%)	19.5% (1.7%)	25.9% (5.7%)	20.6% (2.0%)

Source: Econometría

**A significant gender bias was found, with women showing less access to formal credit than men.**

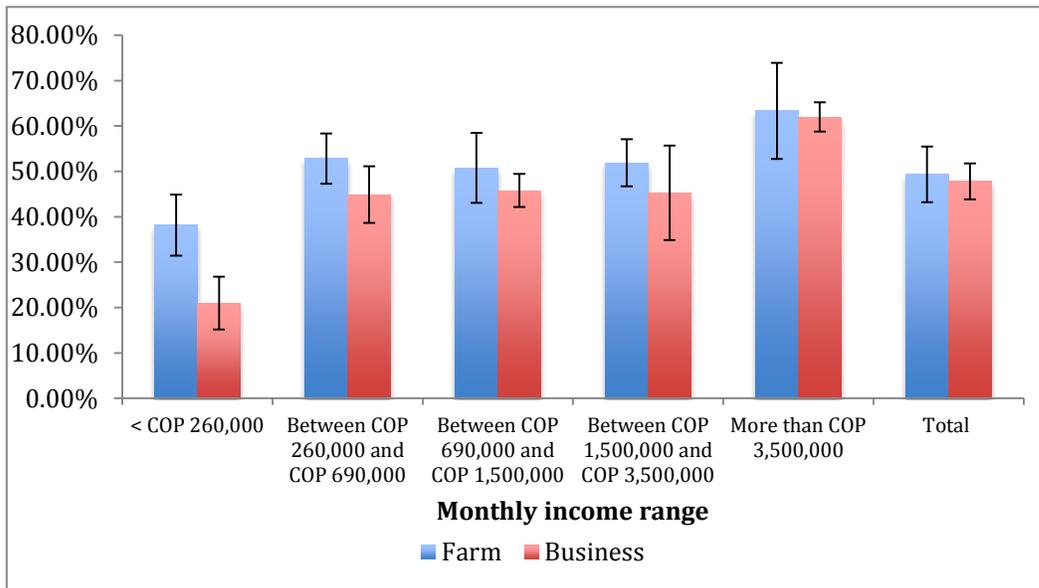
**Table 17. Access to formal credit by gender**

Formal credit	Male	Female	Total
<b>Yes</b>	53.2% (3.7%)	43.3% (4.1%)	49.4% (3.5%)
<b>Total</b>	100.0%	100.0%	100.0%

Source: Econometría

**Access to formal credit increases as income level increases.** As the following graph shows, farmers have more access to formal credit than do businesses whose income is below COP3,500,000.

**Figure 3: Access to formal credit by income quintile**

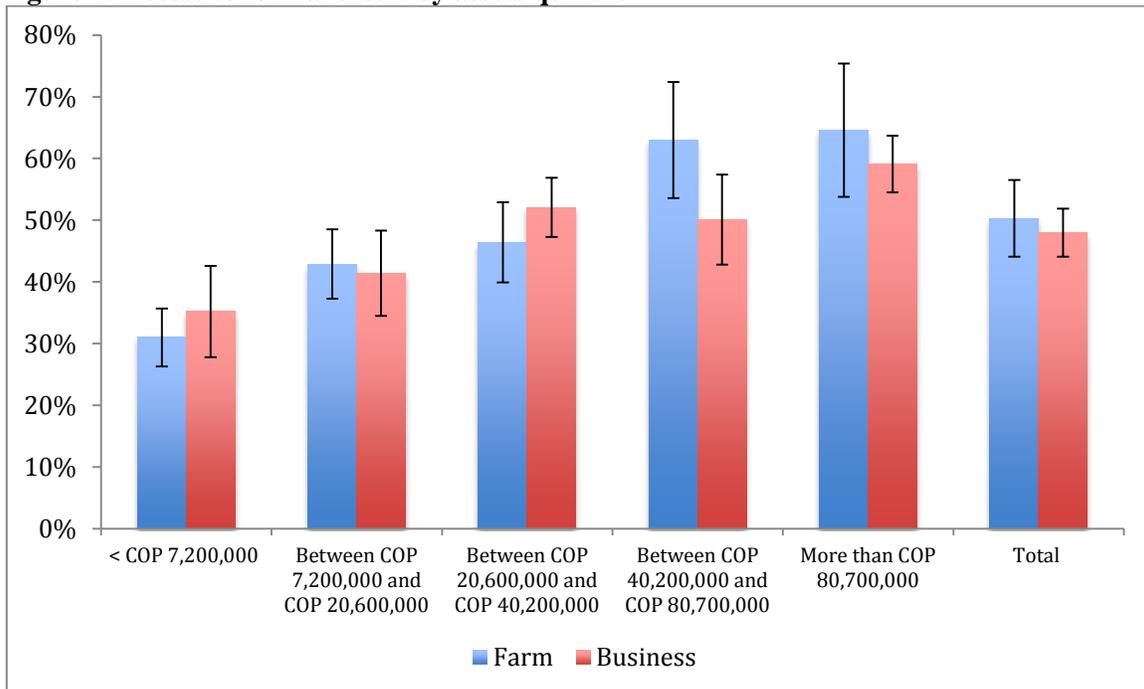


Source:

Econometría

**This same trend is confirmed when analyzing access to credit based on the value of the assets declared.** Most farmers and rural businesses within the lowest asset levels report not having access to formal credit (more than 60%), while in the highest asset level, most (more than 60%) have access to formal credit.

**Figure 4: Access to formal credit by assets quintile**



Source: Econometría

**The most important source of formal credit is Banco Agrario.** As the table below shows, 44.4% of farmers and businesses with access to formal credit have credit with Banco Agrario. More farmers (51.3%) have this credit than do businesses (32.7%). The preponderance of Banco Agrario is similar in all types of rural municipalities, with a marked gender difference: 50.4% of men have credit with Banco Agrario, while only 34.4% of women have it.

**Table 18. Formal sources of credit**

	Type of activity			Type of financial presence			Gender	
	Total	Farmer	Business	Bank agents only	Banco Agrario	Banco Agrario + other	Male	Female
<b>Banco Agrario</b>	44.4% (3.7%)	51.3% (4.2%)	32.7% (2.7%)	42.5% (4.6%)	45.6% (4.6%)	42.4% (11.4%)	50.4% (3.0%)	34.4% (4.8%)
<b>Other banks</b>	20.1% (3.3%)	16.9% (3.2%)	25.4% (4.2%)	22.1% (4.4%)	18.2% (5.3%)	24.1% (4.1%)	22.7% (3.9%)	15.8% (2.4%)
<b>Cooperatives</b>	16.1% (3.6%)	11.4% (1.6%)	24.1% (7.0%)	10.0% (3.9%)	17.0% (5.8%)	19.6% (1.9%)	14.3% (4.3%)	19.0% (4.0%)

Source: Econometría

**Access to formal credit is closely related to the possession of a checking or savings account: 82% of farmers and businesses with some type of bank account also have formal credit.** This overlap, which is more significant for farmers, may derive from banks' practice of disbursing credit to an account in order to facilitate its management.

**Table 19. Possession of bank account and credit**

	Farmers	Businesses	Total
<b>Possession of bank account and formal credit</b>	93.8% (3.1%)	87.3% (5.9%)	81.9% (2.5%)
<b>Total</b>	100.0%	100.0%	100.0%

Source: Econometría

**Formality, defined as keeping accounts and having a company registration, also plays a role in access to formal credit, particularly for businesses.** As shown in the table below, 85.3% of businesses with access to formal credit keep accounts and have official registration, compared to only 35.3% of farmers.

**Table 20. Formality among those with access to credit**

	Farmers	Businesses	Total
<b>Formal business</b>	35.3% (3.3%)	85.3% (2.5%)	32.5% (2.1%)
<b>Total</b>	100.0%	100.0%	100.0%

Source: Econometría

**Differences in access to formal credit according to type of farming activity (agricultural versus livestock) are not very significant.** However, permanent crops have significantly more access to formal credit (82%) than transitory crops.

**Table 21. Access to formal credit by type of farming activity and type of crop**

	Agricultural	Livestock	Other	Permanent	Transitory
<b>Formal credit</b>	54.8%	45.1%	20.6%	82.1%	17.9%
	(10.0%)	(6.1%)	(15.6%)	(10.7%)	(10.7%)

Source: Econometría

For businesses, formal credit is most prevalent for activities related to commerce, accommodation and food industries, possibly as a result of the activities' distribution for rural businesses, though it does not seem to depend on the type of activity.

**Table 22. Access to formal credit by business activity**

	Manufacture	Commerce	Accommodation and food	Other services
<b>Formal credit</b>	42.8%	51.6%	48.3%	32.3%
	(28.1%)	(4.5%)	(12.3%)	(11.4%)

Source: Econometría

Although the frequency of responses is low, for both entrepreneurs and farmers, the rejection of formal credit is due mainly to the applicant's inability to demonstrate payment capacity or being above the maximum age allowed by the bank. There are no significant differences according to the presence of financial institutions or gender.

**Among commercial sources of credit, the most important are shops for farmers and suppliers for businesses.** There are no significant differences according to gender or the type of presence of financial institutions. The frequency of financing through equipment or appliance shops is not significant.

**Table 23. Commercial sources of credit**

	Total	Farmer	Business
<b>Associations</b>	3.4%	5.3%	0.3%
	(1.3%)	(1.8%)	(0.3%)
<b>Shops</b>	10.3%	14.8%	2.7%
	(1.6%)	(1.9%)	(0.9%)
<b>Suppliers</b>	9.2%	1.9%	21.5%
	(1.2%)	(0.7%)	(1.4%)

Source: Econometría

**The main sources of informal credit are friends, neighbors and relatives; 30% of farmers and entrepreneurs that have informal credit have debts from relatives and friends. Very few have debts with moneylenders.** The prevalence of debt with friends, family members, and neighbors is higher among farmers (33.8%) than entrepreneurs (23.5%) and is similar based on gender and the type of presence of financial institutions.

The use of moneylenders and pawnshops is not significant according to the presence of financial institutions or gender.

**Table 24. Informal sources of credit**

	Type of activity			Type of financial presence			Gender	
	Total	Farmer	Business	Bank agents only	Banco Agrario	Banco Agrario + others	Male	Female
<b>Moneylenders and pawnshops</b>	4.1% (0.5%)	2.7% (0.5%)	6.6% (1.4%)					
<b>Friends, neighbors, family</b>	30.0% (4.0%)	33.8% (5.3%)	23.5% (2.6%)	36.4% (16.8%)	28.3% (2.9%)	28.7% (3.2%)	29.9% (3.0%)	30.0% (6.0%)

Source: Econometría

\* *The gray part showed no significant differences.*

**Most farmers and businesses go to friends when they need money.** As a second option, they use their savings or borrow from banks, NGOs, or cooperatives. Savings liquidation is also an important strategy and is used mainly by businesses.

**Table 25. Strategies employed when they needed money**

	Type of activity			Type of financial presence		
	Total	Farmer	Business	Bank agents only	Banco Agrario	Banco Agrario + others
<b>Savings account funds</b>	12.4% (2.2%)	8.6% (2.7%)	18.7% (1.6%)	12.2% (4.7%)	12.1% (3.1%)	13.5% (2.6%)
<b>Sale of animals</b>	7.6% (1.1%)	9.9% (2.0%)	3.6% (1.1%)	7.7% (0.9%)	6.8% (1.6%)	9.9% (1.5%)
<b>Moneylenders and pawnshops</b>	5.6% (0.6%)	3.9% (0.9%)	8.6% (0.6%)	6.3% (0.5%)	4.2% (0.3%)	9.3% (2.1%)
<b>Friends and family</b>	58.8% (4.2%)	63.2% (6.4%)	51.4% (2.6%)	59.4% (9.9%)	59.9% (6.0%)	54.7% (2.8%)
<b>Banks, cooperatives, NGOs</b>	14.6% (1.0%)	14.1% (2.2%)	15.4% (1.5%)	19.4% (0.8%)	12.0% (1.2%)	17.7% (2.5%)
<b>Input suppliers</b>	5.6% (1.0%)	2.6% (0.8%)	10.8% (1.7%)	4.5% (2.2%)	5.6% (1.4%)	6.8% (1.1%)
<b>Product presale</b>	2.5% (1.0%)	3.0% (1.7%)	1.7% (0.8%)	5.5% (4.4%)	1.6% (0.4%)	2.6% (1.0%)
<b>Job search</b>	4.1% (1.4%)	6.1% (2.2%)	0.8% (0.4%)	2.6% (1.0%)	4.8% (2.3%)	3.3% (1.8%)

Source: Econometría

**For those who do not have debts with banks or cooperatives, the main reasons mentioned are that these entities require too much paperwork, their interests rates are too high, and the individuals do not like to owe money to anyone.** This result

contrasts with one of the main reasons given for preferring banks and cooperatives to finance investments (see “Potential Credit” subsection below), which is low interest rates. Though the level of representativeness is low, there are no significant differences according to gender or type of productive activity (see Table 2-15 in Annex 2).

### *Characteristics of the most important credit*

**Results confirm that the most important credit they currently have is from Banco Agrario. This is especially the case for farmers** (see Table 2-9 from in Annex 2).

**Of those with any form of credit, 87% say that they paid on time. This percentage is significantly higher among those who borrow from moneylenders, with 96.9% paying on time.** Similarly, paying on time is significantly higher among people who borrow from input suppliers and appliance shops (see Table 2-10 in Annex 2).

**The most common credit term is one year, but those who have loans with Banco Agrario have longer terms.** Credit from commercial sources (such as input shops) typically has shorter terms, while credit from producers’ associations tends to have terms of more than one year. Informal credit typically has terms of less than six months (see Table 2-10 in Annex 2).

**Large loans usually come from formal sources, while smaller loans tend to come from informal and commercial providers.** While most loans from formal providers are for more than COP4.5 million, banks other than Banco Agrario and cooperatives tend to offer loans of up to COP1.6 million. Banco Agrario predominates on the credits above COP8.1 million while its share in credits below COP4.8 million is smaller. Credits from commercial providers tend to be below COP4.8 million and especially below COP1.6 million. Credits from informal providers are typically very small.

**Table 26. Main credit amounts by source**

	<COP1.6 million	COP1.6<COP4.8 million	COP4.8<COP8.1 million	COP8.1<COP19.4 million	More than COP19.4 million
<b>Formal</b>					
Banco Agrario	0.4%	13.6%	18.3%	38.9%	28.9%
	(0.4%)	(5.3%)	(2.1%)	(2.6%)	(4.5%)
Other banks	10.5%	32.1%	17.6%	15.9%	23.8%
	(3.0%)	(5.1%)	(2.9%)	(4.4%)	(2.7%)
Cooperatives	9.0%	30.1%	13.7%	31.3%	15.9%
	(5.3%)	(9.0%)	(3.0%)	(6.6%)	(5.7%)
<b>Commercial</b>					
Associations	29.2%	38.7%	0.0%	24.4%	7.7%
	(15.1%)	(11.2%)	0.0%	(22.4%)	(8.1%)
Shops	90.7%	1.0%	4.1%	4.2%	0.0%
	(4.9%)	(1.0%)	(4.0%)	(3.6%)	0.0%
Input suppliers	46.1%	25.4%	7.6%	10.8%	10.1%
	(11.4%)	(12.9%)	(1.9%)	(6.1%)	(2.9%)

Appliance stores	44.1%	45.8%	0.0%	10.1%	0.0%
	(7.7%)	(7.2%)	0.0%	(9.1%)	0.0%
<b>Informal</b>					
Moneylenders and pawnshops	54.2%	37.2%	0.8%	0.8%	6.9%
	(19.1%)	(16.7%)	(0.9%)	(0.9%)	(6.3%)
Friends, neighbors, family	61.0%	21.0%	10.0%	3.0%	5.0%
	(3.3%)	(5.1%)	(3.0%)	(0.6%)	(3.6%)
<b>Total</b>	<b>24.1%</b>	<b>20.3%</b>	<b>13.8%</b>	<b>23.4%</b>	<b>18.4%</b>
	(3.4%)	(2.3%)	(0.9%)	(1.2%)	(2.1%)

Source: Econometría

**Regarding the most important credit, the average amount is COP9 million, without significant differences between farmers and businesses.** However, men tend to have larger credits than women, and the average value is larger in municipalities with Banco Agrario and other banks. In municipalities with bank agents, the average value is smaller. However, these average value indicators have a high standard error and must be handled with care.

**Table 27. Average value and conditions of the most important credit**

	Average value (COP)	Term (years)	Interest rate
<b>Type of activity</b>			
Farmer	8,442,905	3.27	17.4%
	(840,951)	(0.14)	(1.2%)
Business	9,991,402	2.50	30.0%
	(834,810)	(0.13)	(3.2%)
<b>Gender</b>			
Male	10,800,000	3.31	19.5%
	(873,158)	(0.13)	(1.7%)
Female	6,114,659	2.45	26.1%
	(632,410)	(0.14)	(3.1%)
<b>Type of financial presence</b>			
Bank agents only	6,007,431	2.76	16.5%
	(522,695)	0.19	(2.1%)
Banco Agrario	10,000,000	3.12	22.8%
	(1,025,479)	0.15	(2.5%)
Banco Agrario + other	8,899,788	2.81	24.4%
	(1,016,238)	0.18	(2.7%)
<b>Total</b>	<b>9,015,483</b>	<b>2.99</b>	<b>22.0%</b>
	(591,001)	0.10	(1.6%)

Source: Econometría

## INSURANCE

**When asked about insurance possession, only 37% of farmers and 42% of businesses claimed to have an insurance.** There are no significant differences observed according to gender or type of presence of financial institutions, though more rural men hold insurance

compared to women.

**Table 28. Possession of insurance**

	Total	Type of activity		Type of financial presence			Gender	
		Farmer	Business	Bank agents only	Banco Agrario	Banco Agrario + other	Male	Female
<b>No</b>	60.3%	61.6%	58.2%	56.5%	61.8%	59.7%	57.6%	64.8%
	(4.0%)	(4.4%)	(3.8%)	(3.5%)	(6.0%)	(8.0%)	(4.4%)	(4.8%)
<b>Yes</b>	38.7%	36.9%	41.7%	40.1%	37.7%	40.2%	41.3%	34.5%
	(4.0%)	(4.5%)	(3.8%)	(2.3%)	(6.0%)	(8.1%)	(4.5%)	(4.9%)
<b>Don't know</b>	1.0%	1.5%	0.1%	3.4%	0.5%	0.1%	1.2%	0.7%
	(0.5%)	(0.8%)	(0.1%)	(3.0%)	(0.1%)	(0.1%)	(0.8%)	(0.2%)
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Econometría

**Among those with insurance, the most common types of insurance are funeral, health, life, and permanent disability.** The low frequency of health insurance is surprising, since Colombia's subsidized health regime offers free health care to most of the country's low-income population; one possible explanation is that most users do not consider this an insurance. Further disaggregation of these variables has high standard errors, so it is not possible to confirm significant differences among groups. The most common insurance is funeral insurance, especially among farmers.

**Table 29. Types of insurance held**

	Farmer	Business	Total
<b>Health</b>	20.4%	20.7%	20.5%
	(8.6%)	(2.1%)	(5.1%)
<b>Life</b>	18.0%	16.0%	17.2%
	(6.5%)	(3.5%)	(5.1%)
<b>Funeral</b>	50.1%	42.8%	47.2%
	(8.0%)	(8.3%)	(7.5%)
<b>Damages</b>	0.1%	2.3%	1.0%
	(0.1%)	(0.9%)	(0.4%)
<b>Agricultural</b>	1.7%	0.0%	1.0%
	(1.2%)	0.0%	(0.7%)
<b>Accident</b>	0.0%	1.1%	0.4%
	0.0%	(0.5%)	(0.2%)
<b>Auto</b>	9.6%	17.1%	12.6%
	(3.4%)	(6.4%)	(3.1%)

Source: Econometría

**For the uninsured, the main reasons for not having insurance are cost, lack of knowledge, and the physical absence of insurance companies.** The lack of knowledge is significantly higher among farmers than businesses. There are no significant reasons for the other categories (see Table 2-16 in Annex 2).

## MOBILE MONEY SERVICES

**Few know about the possibilities of accessing financial services through their cellphone.** For 39% of farmers and entrepreneurs, cellphones can be used to send or receive money or to make payments; there are no significant differences according to type of informant, presence of financial institutions, or gender. Of this 39%, only 5.6% actually use their phone for such transactions, and 14.7% (19.2% of businesses and 12% of farmers) know someone who uses the phone for these activities. Of the total, only 11.9% say they trust cellphone-based financial transactions, with no significant differences by group.

**Table 30. Use of cellphones to make financial transactions**

	Farmer	Business	Total
Do you think the cellphone can be used to send, receive money or make payments?	37.1%	42.1%	39.0%
	(4.8%)	(4.30%)	(4.0%)
Would you trust your cellphone to make payments or to receive or send money?	11.8%	12.1%	11.9%
	(1.7%)	(2.5%)	(1.9%)
Have you ever used your cellphone to send or receive money or to make payments?	5.0%	6.6%	5.6%
	(1.5%)	(2.7%)	(1.9%)
Do you know someone who performs such transactions on their cellphone?	12.0%	19.2%	14.7%
	(2.9%)	(3.3%)	(2.6%)

Source: Econometría

### *1.1.3 Potential market*

This section describes respondents' future investment plans and their potential needs for savings, credit, and insurance.

#### **SAVINGS**

The market potential for formal savings products can be estimated based on the survey results concerning respondents' amount of savings and the expansion in the number of people per income quintile. According to these results, in the rural areas represented by the sample of municipalities, there are an estimated 74,691 businesses and farmers with an average savings of COP1,197,480–COP1,752,137 per person.

Among farmers, this represents a total market of COP55.9 billion. In terms of market potential, monthly income levels between COP260,000 and COP690,000 and more than COP3,500,000 are the ones with highest estimated savings values. However, by number of farmers, the largest market is among those with an income below COP690,000.

**Table 31. Savings market potential among farmers**

Monthly income quintiles	Average savings (COP)	Number of farmers	Total Market Potential (COP)
< COP260,000	420,029 (154,783)	15,245 (2,360)	6,403,377,292
Between COP260,000 and COP690,000	580,340 (168,819)	11,067 (2,557)	6,422,958,284
Between COP690,000 and COP1,500,000	2,316,428 (1,788,446)	7,974 (1,353)	18,473,375,909
Between COP1,500,000 and COP3,500,000	1,623,004 (508,767)	4,753 (1,828)	7,715,421,145
More than COP3,500,000	1,840,148 (769,312)	7,682 (2,699)	14,136,758,879
<b>Total</b>	1,197,480 (477,749)	46,723	55,950,800,003

Source: Econometría

Among rural businesses, the total market potential is COP49 billion, with a total of 27,980 businesses. As with farmers, this potential is concentrated among those whose monthly income is between COP260,000 and COP690,000 or above COP3,500,000.

**Table 32. Savings market potential among businesses**

Monthly income quintiles	Average savings (COP)	Number of businesses	Total market potential (COP)
< COP260,000	456,084 (280,225)	2,036 (245)	928,979,942
Between COP260,000 and COP690,000	808,262 (313,941)	4,357 (429)	3,521,794,336
Between COP690,000 and COP1,500,000	2,601,514 (1,258,451)	7,572 (1,359)	19,700,980,574
Between COP1,500,000 and COP3,500,000	1,146,753 (328,239)	6,872 (1,875)	7,881,019,448
More than COP3,500,000	1,848,556 (499,443)	7,129 (988)	13,178,823,701
<b>Total</b>	1,752,137 (433,145)	27,968	49,004,998,754

Source: Econometría

## TRANSFERS

The market for transfers among farmers and rural businesses was estimated using the same methodology for finding the savings market potential (see Table 2-13 in Annex 2). In this case, the market potential for businesses is 5 times larger than that of farmers, given that the average number of transfers among businesses is 4.4 times greater than that among farmers.

**Table 33. Market potential for transfers**

Income quintile	Farmers		Businesses	
	Number	Market Potential (COP)	Number	Market Potential (COP)
< COP260,000	15,245 (2,360)	1,187,198,698	2,036 (245)	65,263,514
Between COP260,000 and COP690,000	11,067 (2,557)	1,025,413,174	4,357 (429)	1,124,501,497
Between COP690,000 and COP1,500,000	7,974 (1,353)	1,730,416,79	7,572 (1,359)	2,053,277,688
Between COP1,500,000 and COP3,500,000	4,753 (1,828)	1,473,083,723	6,872 (1,875)	4,119,427,859
More than COP3,500,000	7,682 (2,699)	3,087,435,201	7,129 (988)	15,154,172,223
<b>Total</b>	<b>46,723</b>	<b>8,503,547,608</b>	<b>27,968</b>	<b>22,516,079,259</b>

Source: Econometría

**POTENTIAL DEMAND FOR CREDIT****Future investments**

When asked about future investments, **63% of farmers and 47% of businesses say they plan to make an investment in their productive activity during the next two years.** In terms of gender, men have more investment plans than women.

**Table 34. Plans to make an investment in the next two years**

Type of activity		Gender		Total
Farmer	Business	Male	Female	
63%	47%	62%	49%	57%
(3.7%)	(7.7%)	(1.9%)	(7.7%)	(3.8%)

Source: Econometría

**For both farmers and businesses, investment plans consist mainly of making improvements to their productive activity—for example, the purchase of inputs and supplies for businesses and the purchase of animals and land for farmers (see Table 2-17 in Annex 2).**

**As the table below shows, 26.2% of these investments have an average value of less than COP3 million, with the highest percentage concentrated in the COP3–COP10 million range.** These values are much lower than the average credit reported by those who have one, showing a possible mismatch between financial institutions' profitable supply and producers' actual needs.

**Table 35. Value of planned investments by quintile**

	Type of activity		Gender		Total
	Farmer	Business	Male	Female	
<b>&lt; COP3 million</b>	30.7%	16.4%	26.1%	26.6%	26.2%
	(1.9%)	(2.4%)	(1.3%)	(3.3%)	(1.4%)
<b>Between COP3 and COP6 million</b>	21.7%	26.8%	20.6%	28.8%	23.3%
	(3.0%)	(2.7%)	(2.7%)	(2.6%)	(1.6%)
<b>Between COP6 and COP10 million</b>	23.6%	16.6%	23.1%	18.1%	21.4%
	(3.4%)	(2.2%)	(3.4%)	(2.7%)	(2.7%)
<b>Between COP10 and COP20 million</b>	15.9%	19.2%	17.7%	15.5%	17.0%
	(1.3%)	(2.6%)	(2.0%)	(3.3%)	(1.2%)
<b>More than COP20 million</b>	8.0%	21.0%	12.6%	11.0%	12.0%
	(2.8%)	(2.2%)	(2.7%)	(2.6%)	(2.2%)
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Econometría

**Most farmers and entrepreneurs prefer to finance these investments with banks or cooperatives, confirming the preference for formal credit for higher amounts and longer terms.** In fact, 92.6% of farmers and businesses prefer this source of financing, without significant differences according to type of activity (see Table 2-18 in Annex 2). The main reasons for preferring banks and cooperatives as sources of investment financing are their low interest rates and the ease and convenience of cash-flow adjusted payments, which is consistent with the reasons for preferring credit from banks and cooperatives.

If farmers were to take out a loan to finance their planned investments, the average loan size would be COP12.7 million. The preferred term would be between two and ten years both by average value and number of producers for these ranges.

**Table 36. Market potential for credit for agricultural investments**

Term quintiles	Average credit (COP)	Number of farmers	Market potential (COP)
<b>&lt; 1 year</b>	3,807,064 (539,422)	5,650 (1,411)	21,511,249,169
<b>Between 1 and 2 years</b>	5,508,802 (556,626)	7,725 (960)	42,559,409,913
<b>Between 2 and 5 years</b>	12,852,293 (950,181)	19,759 (2,862)	253,937,774,572
<b>Between 5 and 10 years</b>	20,731,034 (3,106,602)	9,944 (1,702)	206,149,403,687
<b>More than 10 years</b>	48,171,398 (7,314,952)	744 (271)	35,839,520,201
<b>Total</b>	12,760,497 (862,953)	43,823	559,215,011,257

Source: Econometría.

As mentioned above, this credit would come primarily from banks and cooperatives; as a reference, the market potential would be equivalent to 8% of Finagro's credit disbursements from 2013.

## INSURANCE

In the last three years, 54.4% of respondents have experienced some type of adverse shock (72.7% of farmers, compared to 23.9% of businesses). The Atlantic region has the highest proportion and the Pacific region has the lowest.

**Table 37. Rural population affected by an adverse shock**

Total	Type of activity		Presence of financial institutions			Gender	
	Farmer	Business	Only agent	Banco Agrario	Banco Agrario + other	Male	Female
54.4%	72.7%	23.9%	58.4%	51.3%	60.2%	59.7%	45.9%
(4.8%)	(5.4%)	(3.5%)	(8.8%)	(7.1%)	(7.8%)	(5.0%)	(5.0%)

Source: Econometría.

Among those who had an emergency in the last three years, the most frequent emergencies are the death of animals (for farmers), natural disasters, price fluctuations, and health problems. For farmers, the shocks with the greatest economic impact are fires, landslides and floods, and price fluctuations. For businesses, they are health problems and breaches of contract (see Tables 2-20 and 2-21 in Annex 2).

**Table 38. Shocks that caused significant losses during the last three years**

	Type of activity			Gender	
	Total	Farmer	Business	Male	Female
<b>Fires, floods, landslides</b>	22.1%	23.6%	14.8%	20.4%	25.9%
	(4.5%)	(5.3%)	(3.1%)	(3.7%)	(7.3%)
<b>Armed groups</b>	2.3%	1.4%	7.1%	1.2%	4.7%
	(0.9%)	(1.0%)	(1.8%)	(0.7%)	(1.6%)
<b>Price fluctuations</b>	20.9%	23.6%	7.2%	19.8%	23.4%
	(6.8%)	(7.7%)	(2.4%)	(8.0%)	(5.1%)
<b>Breaches of contract</b>	4.8%	1.7%	20.4%	3.1%	8.3%
	(0.6%)	(1.1%)	(3.5%)	(0.6%)	(2.3%)
<b>Damage to equipment</b>	2.9%	1.2%	11.5%	3.5%	1.6%
	(1.1%)	(0.4%)	(4.6%)	(1.2%)	(1.2%)
<b>Health problems</b>	11.4%	7.9%	28.9%	9.2%	15.9%
	(2.9%)	(2.6%)	(3.4%)	(2.3%)	(4.5%)
<b>Death of relatives</b>	3.3%	2.0%	10.3%	2.7%	4.6%
	(0.7%)	(0.4%)	(3.5%)	(0.7%)	(2.0%)
<b>Death of animals</b>	32.2%	38.5%	0.0%	40.0%	15.6%
	(6.6%)	(7.9%)	0.0%	(8.9%)	(3.2%)
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Econometría

**Of the respondents, 79% needed between six months and one year to recover from the shock.** Women and people in municipalities with a greater presence of financial institutions tend to recover faster from emergencies.

**Table 39. Time needed to recover from adverse shock**

	Gender		Type of financial presence			Total
	Male	Female	Agent	Banco Agrario	Banco Agrario + other	
<b>6 months or less</b>	16.8%	29.7%	27.4%	14.0%	32.8%	21.0%
	(2.3%)	(5.3%)	(6.7%)	(1.7%)	(2.2%)	(2.9%)
<b>Between 6 months and 1 year</b>	83.2%	70.3%	72.6%	86.0%	67.2%	79.0%
	(2.3%)	(5.3%)	(6.7%)	(1.7%)	(2.2%)	(2.9%)

Source: Econometría

**The most commonly used mechanisms for mitigating emergencies include taking out a loan (mainly from friends or family) and selling assets.** By type of emergency, though with high standard errors, there is a trend of using bank credit for emergencies related to price fluctuation and equipment damage, and selling assets for emergencies related to insecurity or contract breach (see Table 2-22 in Annex 2). These mitigation measures do not always allow the individual to completely recover economically, suggesting that there is a space for developing insurance products that allow individuals to reestablish their economic conditions and avoid further deterioration.

**Table 40. Main mechanisms used to cope with adverse shock**

	Total	Farmer	Business
<b>Use of cash savings</b>	12.4%	8.6%	18.7%
	(2.2%)	(2.7%)	(1.6%)
<b>Sale of animals</b>	7.6%	9.9%	3.6%
	(1.1%)	(2.0%)	(1.1%)
<b>Loans from moneylenders or pawnshops</b>	5.6%	3.9%	8.6%
	(0.6%)	(0.9%)	(0.6%)
<b>Loan from friends or relatives</b>	58.8%	63.2%	51.4%
	(4.2%)	(6.4%)	(2.6%)
<b>Loan from banks, NGOs, cooperatives</b>	14.6%	14.1%	15.4%
	(1.0%)	(2.2%)	(1.5%)
<b>Input suppliers</b>	5.6%	2.6%	10.8%
	(1.0%)	(0.8%)	(1.7%)
<b>Product presale</b>	2.5%	3.0%	1.7%
	(1.0%)	(1.7%)	(0.8%)
<b>Look for job</b>	4.1%	6.1%	0.8%
	(1.4%)	(2.2%)	(0.4%)

Source: Econometría

From farmers' and businesses' point of view, the most important insurance is health insurance, followed by life and production insurance, especially for farmers (see Table 2-23 in Annex 2).

## 2 Households

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This section uses secondary information on households' access to and usage of financial services in order to complement the information from the survey of farmers and rural businesses detailed in the previous section. It compiles key findings from different sources, including Asobancaria (2013), ELCA (2013), the Banca de las Oportunidades Impact Evaluation (2011), and the Informal Credit Survey (2007), among others.

### 2.1 Access has improved due to better financial coverage

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**The geographic reach of financial institutions has significantly improved during the last eight years, leading to greater access to financial services among rural populations.** Colombia now has financial coverage in practically the entire national territory; however, in rural areas, people still cite the absence of nearby banks as a reason for not saving their money in the formal system.<sup>3</sup> As pointed out by the Informal Credit Survey<sup>4</sup> and the Banca de las Oportunidades Impact Evaluation,<sup>5</sup> of the 1,102 municipalities in the country, 1,099 (99.7%) have at least one access point to a financial institution, which increases the possibility of residents' using formal financial services. The number of access points per 10,000 adults is 22.5 in urban areas and 9.7 in rural areas, while the number of access points per 1,000 square kilometers is 555.1 in urban areas and 12.2 in rural areas. In rural areas, 50% of bank branches belong to Banco Agrario. This suggests that in rural areas it is necessary to further increase financial outreach beyond the low-cost delivery channels promoted thus far under the government's financial inclusion strategy.

### 2.2 Savings

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**According to Asobancaria, as of December 2013, 22.5 million adults (71.5% of Colombian adults) had at least one financial product.** From 2010 to 2013, the number of adults with access to financial services increased by four million, rising from 62% to 71.5%, with savings accounts as the most commonly held product (20.7 million adults).

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<sup>3</sup> See Table 3-1 in Annex.

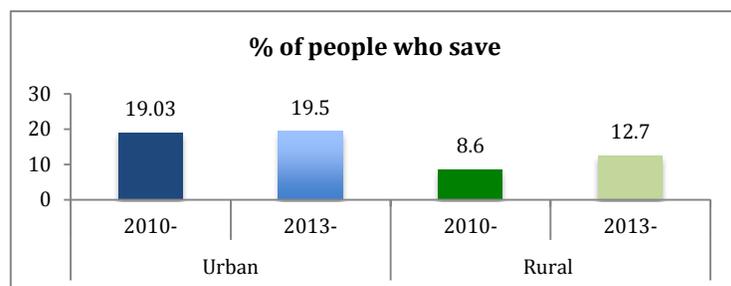
<sup>4</sup> Informal Credit Survey (2007): Random sample of 1,200 surveys in eight urban and eight rural municipalities (600 surveys of households and 600 surveys of microenterprises), plus 10 in-depth semi-structured interviews. The statistical information has a national representativeness of low-income populations (households and microenterprises in strata 1, 2, and 3), in municipalities with and without the presence of financial institutions, in order to illustrate the financial services that people use.

<sup>5</sup> Banca de las Oportunidades Impact Evaluation – survey with 1,700 households and 1,500 microenterprises in municipalities of less than 50,000 inhabitants some of which has an access point of a financial institution opened with Banca de las Oportunidades subsidies and others not. Base line collected in 2009 and follow up in 2010.

**Though more households have savings accounts now than they did before , the active usage of savings products continues to be the main challenge.** According to information provided by the supply side, there are 51.2 million savings accounts in the country’s financial sector, of which 49% are active. There is more than one account per adult, with 16,226 accounts per 10,000 adults, but only 7,968 active accounts per 10,000 adults. Though 65% of adults have a savings accounts, only 45% of them (14.1 million) have an active account.

**There is less access to savings accounts in rural areas.** Of the existing savings accounts, only 22% are in rural areas. While there are 17,626 savings accounts per 10,000 adults in urban areas, this number is only 9,299 in rural areas. Information from the demand side shows a similar trend. As shown in the following graph, between 2010 and 2013 the percentage of rural residents who save increased more than that of their urban counterparts. However, there are still fewer people saving in rural areas.

**Figure 5: Percentage of people who save (urban vs. rural)**



Source: ELCA

**People prefer informal mechanisms.** Although the number of households who save increased between 2010 and 2013, so did the proportion of those who save in cash (from 44% in 2010 to 50% in 2013). Likewise, the percentage of those who save in financial institutions decreased. In rural areas, though the percentage of households who save at financial institutions increased, the percentage of those who save in cash increased more.<sup>6</sup>

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<sup>6</sup> ELCA (2013).

**Figure 6: Where do urban and rural households save?**



Source: ELCA

**Evidence from other sources corroborates this overall finding of increased access to formal savings mechanisms.** For example, results from the Banca de las Oportunidades Impact Evaluation show that, in 2007, only 10% of rural households had access to a savings account; and in municipalities without a presence of financial institutions, only 4% had access. In 2010, these percentages increased to 14% and 16%, respectively, confirming that improved outreach increases access.

**Most people prefer to save at a bank. However, reasons not to save money in formal financial institutions continue to exist, albeit at decreased levels.** In 2013, only 3.5% mentioned distance as a reason for not saving in a bank, compared to 13.2% in 2010. While this is consistent with the aforementioned improvements in financial access, other restrictions continue to exist at the rural level and in some cases at the urban level. Although the public and private sectors have made efforts to lighten regulations and develop cheaper financial products, high fees continue to be the main reason why people prefer not to use formal financial services, indicating that people may not be aware of the existence of low-cost products in the market. According to ELCA, 20.1% of urban savers and 11.1% of rural savers pointed out that high fees were the main reason they avoided using formal financial services. In addition, low returns on savings products and a general lack of trust of financial institutions continue to be reasons for self-exclusion, as concluded by most of the studies on access to financial services (see Graph 3-1 in 3).

**Among the main motivations to save are future expenses, retirement, and business ideas.**<sup>7</sup> While in the short term the main objectives for saving money are to pay for household needs, unexpected shocks,<sup>8</sup> and urgent expenses associated with children’s education, in the medium and long term, the most frequently mentioned objectives are children’s education,<sup>9</sup> buying a house or land, retirement, and new business ventures. As an example, 61.78% of Familias en Acción beneficiaries have transactional or short-term

<sup>7</sup> According to the baseline on the “Savings Culture Promotion Project” for Familias en Acción beneficiaries.

<sup>8</sup> For health or unemployment emergencies.

<sup>9</sup> The survey indicates that 23% of households use savings to pay for school tuition, supplies, and uniforms; 16% use them to pay for celebrations; and 6.3% use them to handle emergencies.

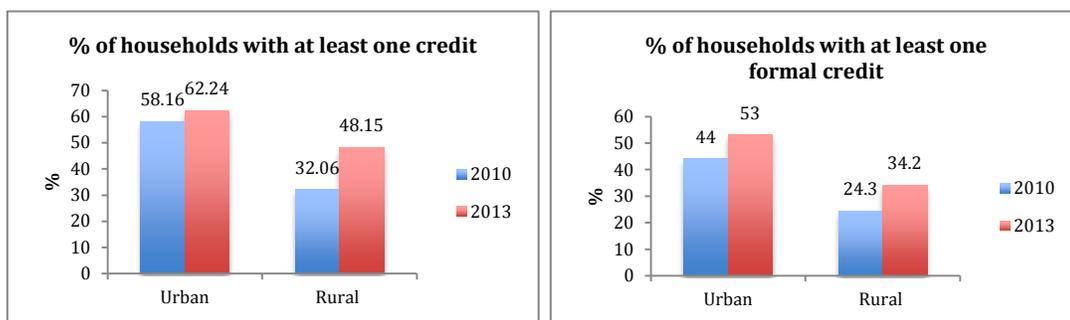
savings and have saved an average of COP40,181, while 39.19% have savings for the long term.

**The savings objective determines how the money is saved and what instruments are used.** Testimonies from Familias en Acción beneficiaries suggest that there is a financial rationale behind the choice of savings mechanism. Depending on a household’s conditions and the particular motives at play, users balance safety and trust against liquidity and transactional costs,<sup>10</sup> and savings profitability against returns and institutions’ customer service. It can be inferred that formal savings vehicles (i.e. banks and cooperatives) are seen as less liquid and more costly for withdrawals, while informal instruments (especially savings at home) are seen as more liquid and less costly. Given that the amounts needed for emergencies or unforeseen events are generally small—and transportation costs and withdrawal costs for banks and similar institutions are relatively high—formal institutions are less appealing compared to other alternatives. In this sense, households, instead of substituting formal for informal savings, tend to combine both mechanisms: for short-term savings, where liquidity is highly valued, they prefer informal mechanisms, while for longer-term savings, they prefer formal instruments with more security.

### 2.3 Credit

**Access to credit has increased in both urban and rural areas.** According to information from Asobancaria, 14.5 million Colombian adults (45%) had some credit with financial institutions as of December 2013, compared to 11 million in 2010. This increase is supported by demand-side information on households, which shows a significant increase in households’ access to credit in general and formal credit specifically, in both urban and rural areas.

**Figure 7: Percentage of households with at least one credit and with formal credit**



Source: ELCA

**Most households use a variety of formal and informal instruments.** For example, the Informal Credit Survey (2007) indicates that most households (98%) have had credit at least once, especially informal credit.<sup>11</sup> Additionally, 69% of households have had both

<sup>10</sup> Transaction costs include time and money required to make the transaction.

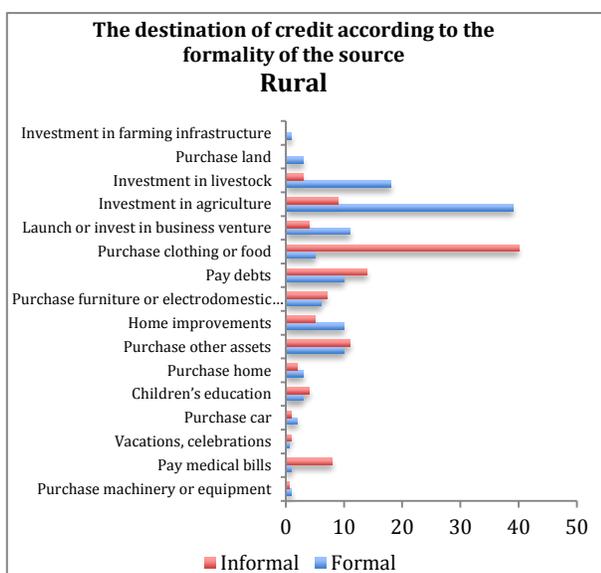
<sup>11</sup> Informal credit: Credit with moneylenders, friends, relatives, neighbors, or pawnshops.

formal and informal credit, suggesting that the use of informal credit might not necessarily be due to a lack of access to formal sources but rather to an unsuitability of formal products (see Table 3-1 in Annex 3).

**In both rural and urban areas, households use formal credit to finance productive activities and planned investments that require larger amounts and longer terms.<sup>12</sup>**

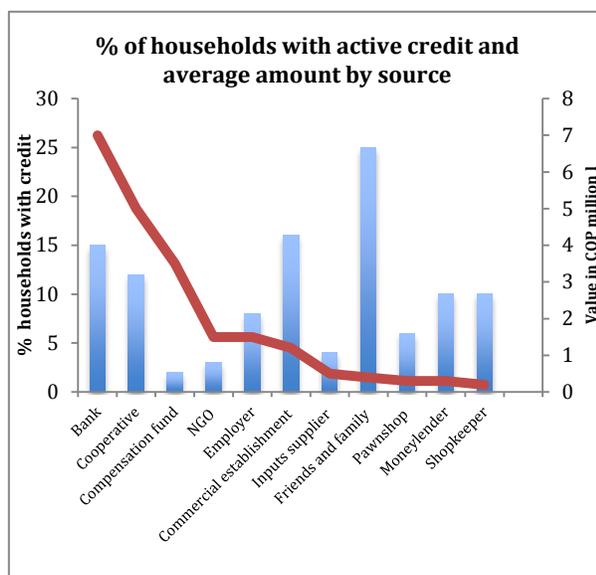
According to ELCA, long-term activities are financed through formal institutions (cooperatives and banks), while short-term activities (such as home expenses) are financed through informal providers (such as moneylenders and friends).<sup>13</sup> This confirms the findings of the Informal Credit Survey: formal financial institutions are used for larger credits (more than COP5 million), while informal sources such as family and friends are used for smaller credits (less than COP1 million).

Figure 8: The use of credit by source



Source: ELCA

Figure 9: % of households with credit and average value



Source: Informal Credit Survey

**Though bank credit is perceived as less costly, convenience is the most important criteria for households and microentrepreneurs.** When money is needed for an emergency, more households go to friends, relatives, or neighbors for credit as a first option, even though it is more costly.<sup>14</sup> For example, when asked to explain why they prefer one source of credit over another, people voice a preference for banks because they

Commercial credit: Credit with a commercial establishment, shop, input supplier, or enterprise where a family member works.

Financial credit: Credit with a bank, NGO, or cooperative.

<sup>12</sup> ELCA.

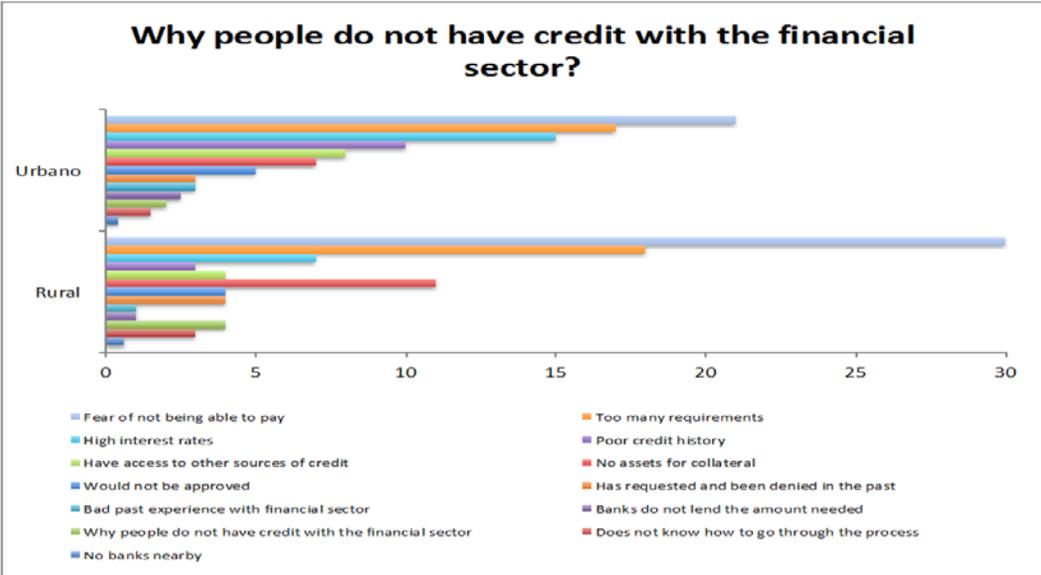
<sup>13</sup> Reliance on informal services increases as one moves down the socioeconomic stratum, while the probability of access to formal credit becomes higher with increased socioeconomic status. As demonstrated by the ELCA and the Informal Credit Survey, the proportion of households in quartile 4 who have had formal financial credit is more than double the proportion in quartile 1.

<sup>14</sup> Econometría, 2007.

are less costly and offer better terms, even though they are slow to disburse the credit; in terms of convenience, people prefer friends, relatives, and suppliers; and in terms of timeliness, people prefer moneylenders, pawnshops, or their place of work.

**Though access to credit has increased, the demand side continues to perceive difficulties in accessing formal financial services, in both rural and urban areas.** One of the main reasons for not having credit with the formal sector is the fear of being unable to pay back the credit; other reasons include too much paperwork, high interest rates, and lack of guarantees.

**Figure 10: Reasons for not having credit with the financial sector**



Source: ELCA

## 2.4 Insurance

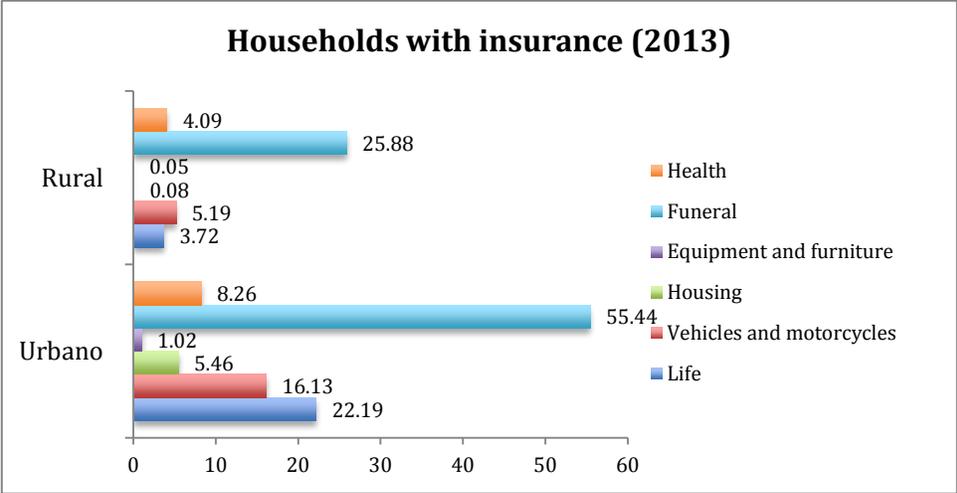
**Though there is less information available, there is evidence of an unsatisfied demand for insurance products among the country’s low-income population,** with some access in both urban and rural areas only to funeral insurance (though in a smaller proportion in rural areas).

**Between 2012 and 2013, the number of risks insured decreased from 26 million to 21 million, representing an 18.5% decrease.** There was a 23.4% reduction in active insurance policies in urban areas, while the number of policies in rural areas increased by 63% (though still representing less than 9% of the nationwide total).<sup>15</sup> ELCA confirms the prevalence of funeral insurance, especially in urban areas (55.4% of households); in rural areas, it is also the most common insurance product, though less prevalent (25.9%). The penetration of other insurance products is low in rural areas (3.2% of people have life

<sup>15</sup> Financial Inclusion Report (2013).

insurance, 5.9% have vehicle insurance, and 4.1% have health insurance). This is due not only to the lack of adequate products but also to the low outreach and presence of insurance companies in these areas.

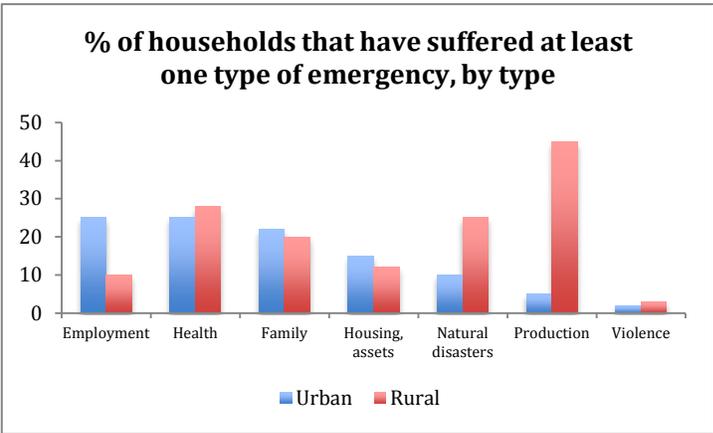
**Figure 11: Percentage of households by type of insurance (urban vs. rural)**



Source: ELCA

**In rural areas, residents are more likely to suffer calamities than their urban counterparts.** In addition, the main shocks observed by ELCA during the last three years were those related to production and health; these emergencies were also the ones with the greatest impact.

**Figure 12: Households who have suffered emergencies**

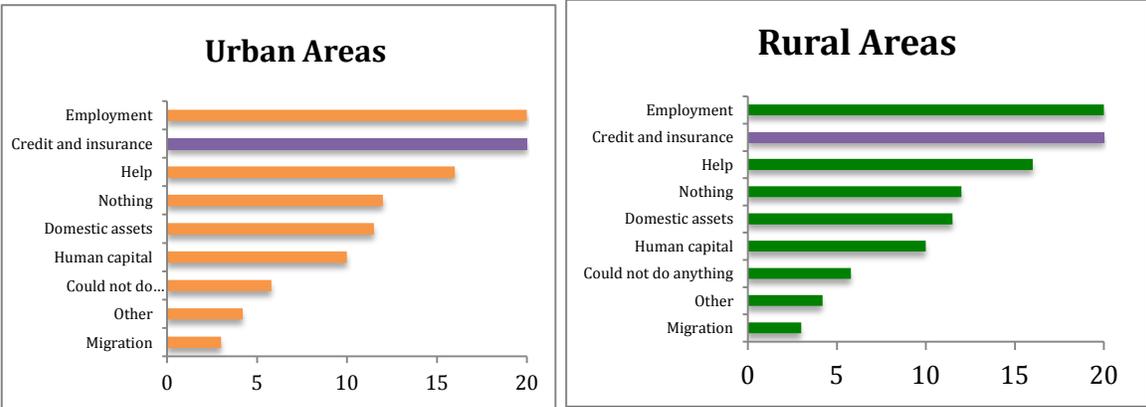


Source: ELCA

**Lacking insurance and other appropriate tools, most households end up borrowing or liquidating assets or savings when faced with an emergency.** Low-income populations use informal savings as a preventive instrument to protect themselves from risks, as well as

to pay debts and make investments.<sup>16</sup> The spending of savings is the main method used to face emergencies: 40% of households and microenterprises reported using liquid savings, and between 10% and 15% reported using illiquid savings. The second most popular source of funds in an emergency is friends, neighbors, and relatives; and lastly, moneylenders and pawnshops. Results from ELCA show a similar behavior. In the face of adverse shocks, rural households borrowed from both formal and informal sources and used insurances. It is worrying that the second most popular reaction in rural areas was to do nothing.

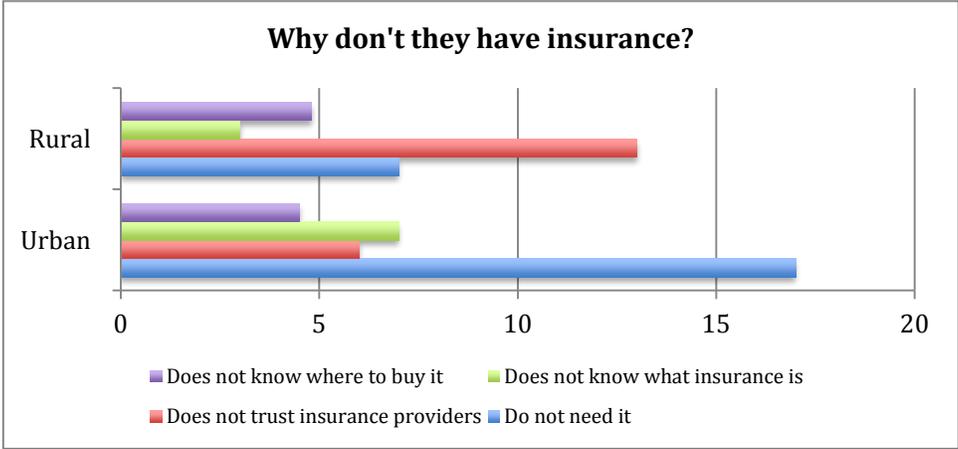
**Figure 13: What did you do to cope with last emergency?**



Source: ELCA

As can be observed in the following graph, ignorance and a lack of awareness of insurance, particularly in rural areas, is the most cited reason for not having an insurance policy.

**Figure 14: Reasons for not having insurance**



Source: ELCA

According to an insurance demand study of Familias en Acción beneficiaries,<sup>17</sup> there is a demand for insurance as long as the policy has specific characteristics that reduce

<sup>16</sup> Informal Credit Survey (2007).  
<sup>17</sup> Econometría (2008).

uncertainty regarding the payment of claims repayment. The demand study shows that Familias en Acción beneficiaries perceive risks with their lives, health and property (assets, house, business) and the study helps identify relevant opinions on the demand potential of available products, considering the products were confusing and not transparent, as well as inflexible on the payment conditions.

## 2.5 Money orders, transfers, and payments

**In terms of money orders and remittances, there is little evidence from the demand side.** Econometría’s survey from 2007 found that although transfers and money orders through the financial sector were perceived as safer, the high associated costs hindered their usage among low-income populations. The growth of money transfer companies over the last five years may have changed the panorama because their outreach to rural areas has increased drastically, making them the main providers of this service.

According to the International Finance Corporation’s demand study on mobile financial services in Colombia (2012), 42% of the respondents sent money and 36% received money in the last two years, mainly at a domestic level (7% received international remittances). The average amounts of money sent and received were US\$220 and US\$200, respectively.

On average, it took individuals three and a half hours to send money (including time spent on transportation, lines, etc.), and the average fee was US\$2.5. In terms of the channels used, the most common is post offices, followed by in-person delivery. Though few of those who sent or received money reported having experienced problems, 11% of the 13% who did have problems mentioned that the service was too costly.

Figure 15: Channel used to receive remittances

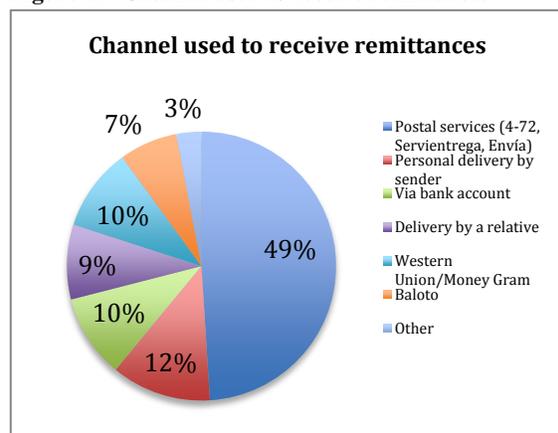
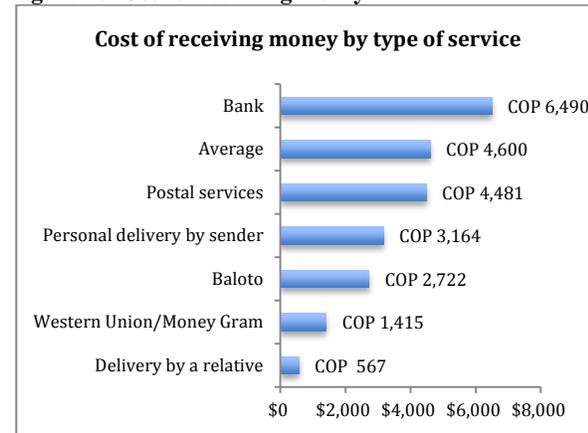


Figure 16: Cost of receiving money



Source: Demand study for transformational MFS, IFC

**With regard to payments, cash predominates.** Most respondents pay some type of bill or some service, with the most common being transportation, cellphone airtime, and public utilities. Most payments are made in cash, regardless of the value; public utilities bills can sometimes cost up to US\$50 (see Graph 3-3 in Annex 3).

### 3 Supply of financial services in the rural and agricultural sector

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This section summarizes credit suppliers' views on the risks involved in financing the rural and agricultural sector, as well as the evaluation and risk mitigation practices currently being used.

The information in this section is based on interviews with both local-level and national-level representatives of the main financial institutions that finance Colombia's rural and agricultural sector (see Annex 5).

#### 3.1 Focus and target market

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**The focus of these interviews was on financial institutions that lend to all sectors, particularly to clients from the rural and agricultural sector.** Though in general there are no restrictions with regard to the economic sector or the size of the client, access to credit is limited in sectors where these financial institutions have had bad experiences. These bad experiences may be due to a number of factors, including bad repayment indicators and aspects that might inhibit clients' capacity to pay their debts, such as price fluctuations, less access to markets, product surpluses, and exogenous factors (weather, plagues, etc.)—all of which are present for projects related to the agricultural sector. Thus, rural households in this sector receive the least amount of financing.

**The sectors with the most access are those that are less exposed to risks and are perceived as being more organized and having better information, price guarantees, and an assured market.** Most institutions lend more to activities related to the production of coffee, African oil palms, and dairy. Activities like sugarcane, cattle, and rice farming also receive resources, as they are considered homogeneous sectors of medium and large producers.

**Only clients who demonstrate the capacity to pay—with enough cash flow to repay during the life of the loan and with guarantees to back up the obligation—have access to credit.** In practice, only medium- and large-scale producers have access to credit. Though creditors say that they rely on the client's payment capacity as the main criteria, in reality creditors consider small-scale clients to represent greater risk because they are informal and lack reliable information regarding their income; thus, they must be evaluated by specialized areas, such as microcredit officers. Banco Agrario has at least one specialized line to finance small producers, but its experience in financing this sector is based on guarantees from the Agricultural Guarantee Fund (FAG), without which it would likely not finance small-scale producers. At the local level, banks are the intermediaries most apt to recognize that lending to the agricultural sector is riskier than lending to other sectors. However, this perception is weaker in banks that also lend to microentrepreneurs.

**Except for Banco Agrario, no financial institution considers the agricultural sector to be the main sector for financing, nor do they see it as their focus market.** This statement is based not only on the difficulty of obtaining information on this sector's outstanding balance and number of clients but also on the opinion of interviewees who believe that the volume of credit for this sector is not very significant. Few institutions are

able to provide numbers on the outstanding loan balance for the agricultural sector because they do not identify this sector separately. Aside from Banco Agrario—which, because of its specialization, registers 100% of its loan balance as agricultural—only one bank was able to provide accurate information. According to this bank, the agricultural sector represents 3.4% of the loan balance; for other interviewees, this sector represents less than 1% of their credits. In local interviews, it was confirmed that the percentage of agricultural credit, even at very rural branches, is marginal, representing an average of 30% of the branch's loan balance. Less than 50% of their clients come from the agricultural sector.

**While the minimum amount of a microcredit in rural areas is COP400,000, the minimum amount of a loan to a small-scale farmer is COP5 million.** Microcredits start from COP400,000 and reach an average of COP2.5 to COP3 million. For small-scale producers, the average ranges from COP7 to COP15 million; and for leasing companies, the values are even higher: loan amounts are between COP10 and COP30 million, with the average going up to COP60 million. This confirms the survey's findings regarding the absence of available suppliers to finance the lower capital needs of small-scale producers.

At the local level, in small municipalities, banks have the highest average loans, which range from COP8 to COP13 million, compared to smaller amounts offered by NGOs (COP2.5 million) and cooperatives (COP5 million). Banks also report the biggest difference between the average loans given to micro-entrepreneurs and to small farmers (see Table 4-2 in Annex 4).

**Both farmers and agro-industrial enterprises receive credit. Although value chains are perceived as less risky, credit is most often given to one of its links, not to the entire chain, and the reduced risk does not result in more favorable conditions.** Most of the large institutions, especially banks, have a wide range of clients, including input providers, agricultural processing enterprises, exporters, and value chains.<sup>18</sup> Though the possibility of financing value chains is considered an advantage when evaluating and granting credit, institutions did not mention extending credit to small-scale farmers. More formal chains (such as the processing, distribution, and sales of parts) tend to have greater access to credit, mainly because their market is secured.

**Leasing companies provide financing to the agricultural sector mainly through the leasing of agricultural machinery, equipment, and vehicles.** The primary constraint they face is the lack of branches and the cost derived from supervising the guarantees. Leasing companies that belong to a financial group have broader possibilities, as long as the client is referred by a bank in the same financial group.

**General storage warehouses do not provide direct credit, and their traditional business of issuing deposit certificates or pledge bonds as collateral for clients' loans**

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<sup>18</sup> The concept of financing the value chain was explained to respondents as the flow of funds into and between the various links in the chain, involving a comprehensive approach that not only takes into account the direct borrower but also analyzes the value chain, its participants, and their relations, in order to better structure the financing in accordance with their needs.

**has become marginal.** One of the reasons for this is that this instrument no longer applies for rediscounting with Finagro because it was considered irrelevant. These warehouses work with all banks and offer their services for all products that can be stored for at least six months, which excludes perishables and live animals. Though it is likely that this type of institution will lose relevance in issuing these titles once the movable collateral registry is in place and the new law on secured transactions (Law 1676, 2013) is fully implemented, there is also an opportunity for a new business, as financial institutions will need to supervise and control inventories and merchandise—a task in which these institutions are experts.

**Financial institutions use public funds from second-tier lines to finance long-term projects.** Since small farmers are associated with credit for working capital, the long-term credit lines tend to be for more formalized clients. Only those clients with guarantees can have access to these long-term credit lines, meaning that only the more profitable clients tend to have access to second-tier lines. Demand for leasing companies is mainly from big companies and clients who need to finance equipment or machinery over the long term.

**For short-term finance, institutions offering microcredit are better suited.** This is the case for microfinance institutions that offer only short-term finance and working capital lines as long as they have the resources, since NGOs do not have access to Finagro, and cooperatives have only limited access to fund their operations with their own resources. Cooperatives and NGOs are similar in terms of uses of the lines and terms (between one and three years), and they are similar for agricultural producers and microentrepreneurs; most of their credit is for working capital as opposed to fixed assets. All banks offer credit for working capital, and only two out of five offer credit for fixed assets, while one offers free-investment loans. Terms vary from two to five years, and the supply of available credit lines is broader for microentrepreneurs than for farmers. Banco Agrario is the only bank that mentioned, at the local level, offering credits to farmers for more than five years and for less than one year in one municipality.

**The marketing and commercial strategies used by credit suppliers are massive.** To focus on specific segments of the market, these institutions undertake agreements with input and equipment suppliers and attend events with Finagro. However, it is more common that rural and agricultural clients simply visit these institutions' offices to request credit. Unlike microfinance institutions, whose methodology is based on field officers' directly visiting clients, banks tend to use massive marketing strategies, marketing by niche and, though less frequently, alliances with input suppliers and agro-industrial buyers. Leasing companies use niche marketing and alliances with agro-industrial input suppliers. In general, they organize events with Finagro and take advantage of local agricultural fairs.

### **3.2 Usage of Finagro's financial schemes**

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**Though, for internal purposes, most banks classify their clients based on sales, financial institutions use the same criteria as Finagro to classify clients according to the size of assets.** They do this in light of the requisites for accessing second-tier resources and registering agricultural loans, which facilitates the processing of the transactions. Except for Banco Agrario, most institutions rarely use second-tier resources to fund

agricultural loans. Most of these credits are financed with their own resources, though the institutions register the credits as “substitute portfolios”<sup>19</sup> or agricultural portfolios, taking advantage of the authorization to substitute forced investments and/or have access to FAG guarantees for medium and large credits (except for Banco Agrario, banks rarely give credit to small farmers).

**Banco Agrario uses second-tier resources the most; other institutions are discouraged from using them because of the operative burden and the unattractive intermediation margin compared to the margin of using resources from savings, especially to finance small farmers.**<sup>20</sup> Though rediscount resources can be used for any size of credit, they are mostly used to transform terms, for medium- and big large-scale clients, and for longer term credits or to register as “substitutive portfolio,” which releases them from the mandatory investments they are required to do. Even if the resources have similar interest margins (as is the case for medium- and large-scale farmers), the operative and administrative processes involved for each credit with Finagro, along with the control process required for the investment once the credit is disbursed, make these resources unappealing for financial institutions.<sup>21</sup>

**Public policy instruments to foster credit for small-scale farmers are rarely used.** One of the barriers to using second-tier resources for lending to small farmers is the cap on the interest rates that the final beneficiary can pay. This, in practice, reduces the profit margin for the financial intermediary, preventing it from being able to cover the cost plus the associated risk of financing this sector. In terms of the FAG, only Banco Agrario relies heavily on guarantees from this fund, while other institutions prefer to use guarantees from the National Guarantee Fund (even for agricultural clients) because they consider the process to be simpler.

**The interest rates mentioned during local-level interviews are consistent with the information collected at the national level.** Banco Agrario, whose average interest rates are between 5% and 11.4% yearly because of its dependence on Finagro, is the main lender for small-scale producers, while other banks, whose interest rates are between 12% and 17%, continue focusing on medium- and large-scale farmers in order to be able to recover

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<sup>19</sup> With Finagro, agricultural credits can use rediscount funds or financial intermediaries' own resources, substituting mandatory investments in Agricultural Development Bonds. And thus the former are identified as “substitute portfolios.” The equity portfolio of financial intermediaries will not be validated as alternative portfolio but is required for granting access to FAG guarantees or because the projects funded by such appropriations require access to incentives or interest rate subsidies granted by the government. These appropriations are identified as agricultural portfolios.

<sup>20</sup> On average, the cost of savings deposit products is equal to fixed-term deposits (DTF) of 4.4% (from January to June 2014, according to the Central Bank (Banco de la República) . The cost of rediscount resources from Finagro varies according to the size of the producer, but the interest rate is controlled for the end customer. The discount rate for transactions on the new line of microcredit is DTF + 2.5% and has free rate.

<sup>21</sup> One of the requirements under Finagro is filling out a form that provides details about the beneficiary and the project's financing in the case of automatic rediscount credits. Some credits also require some pre-qualifications in order for disbursement, including an analysis of the project's feasibility. Another requirement that is operationally expensive is the requirement of monitoring the investment.

costs and risks. The high per-peso cost for loans to small farmers can be recovered only through high interest rates that are almost as high as microcredit rates, fluctuating between 28% and 49% (see Table 4-4 in Annex 4).

### 3.3 Risk management structures

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**In general, financial institutions perceive the rural and agricultural sector as riskier, not only because of the lack of relevant and reliable information but also because of the sector's informality, inadequacy of guarantees, and lack of price stability and insurance.** The sector is perceived as more vulnerable to factors such as weather changes and plagues, price fluctuations, and market behavior.

**Intermediaries believe that there is too much informality among farmers and rural entrepreneurs of all sizes, which hinders institutions' ability to measure clients' payment capacity, as their income is not accurately reflected in financial statements.** Another frequently mentioned limitation is the lack of formal land titles, which makes it harder to use mortgages as credit guarantees.

**Though these financial institutions recognize a higher risk, except for Banco Agrario, they do not have specialized areas for evaluating risks in the agricultural sector.** Clients are classified by size and evaluated in the same areas in which other types of clients of similar size are analyzed and evaluated. However, there are sectoral analyses and specialists who perform risk analyses, particularly for bigger clients. Banco Agrario is the only bank with a specialized area with trained staff who use credit scoring tools, classify clients according to their profile (according to seven categories), and support sectoral analyses (twelve models) that generate risk warnings. The main obstacles within this specialized area are the need to ensure good documentation of the credit in order to avoid forms being returned due to mistakes and the need for further coherence between the financial and technical information. Sometimes, poorly documented credits are sent from regional offices and end up being returned because of mistakes, causing further delays for the clients.

**For credits using second-tier resources from Finagro, "planners" generally support the analysis and issue a concept note about the project's viability.** The planner's cost is paid directly by the client, and, even though this allows for a better analysis, banks' risk departments are not incorporating this knowledge into their own analyses.

**Intermediaries argue that subsidies linked to credit distort demand and discourage the payment culture.** They argue that subsidies create distortions, since the credit offer does not reflect real market conditions and since credit without government subsidies is not attractive to clients. In addition, the incentives are defined as part of the value added of the credit that is disbursed at the beginning of the term, leaving all the risk to the intermediary; or, in cases when the credit is prepaid (showing that the credit was not necessary), the origination cost is not recovered.

**The maximum time to approve a credit is five days for microcredit institutions and up to twenty days for institutions that do not have microcredit.** The institutions

interviewed at the local level mentioned that the time needed to approve agricultural credit is the same as for microcredit, and is fewer than five days for cooperatives, NGOs, and specialized microcredit banks. In Banco Agrario and one of the five cooperatives interviewed, the time needed to approve an agricultural credit is twice as much as that needed for a microcredit, but still fewer than twenty days. Banks that do not offer microcredit take more time to approve an agricultural credit, needing between eight and twenty days.

**Though the portfolio is financed with their own resources, institutions recognize that agricultural credits need more supervision.** For large credits, it is necessary to hire or subcontract specialized staff to supervise the project and the guarantees. Most institutions at the local level confirmed that they have specialized staff for the sector. For microcredits, some have to hire specialized field officers who perform visits, evaluate in situ, and supervise the client during the credit term. The general storage warehouses hire specialists only if they need to verify inventories used as collateral to issue the deposit certificate for pawn bonds.

### 3.4 Risk mitigation mechanisms

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**The institutions aim to cover risks with guarantees other than the agricultural activity cash-flow itself.** Though they argue that credit evaluation is based on a cash-flow analysis and the client's payment capacity, they try to cover risks with guarantees like mortgages and prefer those unrelated to the agricultural sector, which favors medium- and large-scale farmers. Other mechanisms used are collaterals and promissory notes. Leasing companies use the same financed asset as collateral. The National Guarantee Fund's guarantee portfolio is also used when institutions offer credit with their own resources—particularly microfinance institutions, which do not have access to Finagro.

**At the local level, banks ask for more guarantees for agricultural credit.** The most common are mortgages and cosigners; the FAG is also used, especially for credits to small farmers. Banco Agrario and one other institution receive fixed assets as guarantees. For microcredits, institutions also ask for mortgage guarantees, though just a few ask for cosigners; most say that they receive a promissory note or a fixed asset, or use the National Guarantee Fund. NGOs do not differentiate according to type of credit and most of the time use the property's no-lien certificate, a commitment or agreement to sell it, and electric appliances. All cooperatives use mortgage, and four out of five use a cosigner for agricultural credits. For microcredits, most use the National Guarantee Fund's guarantee portfolio.

**The greatest difficulty in the rural sector is adequately verifying the guarantees/collaterals.** Distance from the farms makes it costly to verify the guarantees, which translates into higher risks when executing them. For leasing companies and some intermediaries, the high cost limits the supply of small loans, as it is not possible to recover the origination cost plus the supervision cost. Thus, pledged assets are not accepted because of the difficulty in supervision and execution.

**There are difficulties in managing and conserving guarantees**, as it is not easy to locate them. This occurs mainly with equipment and vehicles that are held by the owners, ransacked, or sometimes even lost for a long time, preventing the financial institution from recovering them.

**The FAG is perceived as costly, difficult to execute, operatively complicated, and slow to register the credits to request the guarantee.** Thus, the only institution that extensively uses it is Banco Agrario. Additionally, its use is limited to credits with second-tier funds from Finagro, which makes it inoperative for institutions that use their own funds or that do not have access to Finagro, like NGOs. Many institutions point out that the fact that it can be used only as a complementary guarantee—for example, if the borrower does not have other assets to give as guarantee—makes it inapplicable for most small-scale farmers. Therefore, there are great expectations regarding the development and operation of the registry that is a result of the new law on secured transactions. In general, entities would be more willing to extend credit to the agricultural sector if they had access to guarantees independent from Finagro’s conditions.

**Holding an insurance policy against natural disasters, phytosanitary risks, the destruction of property, accidents, or death helps support a credit application before evaluation committees and gives it a higher rating.** However, it does not guarantee the credit’s approval nor does it translate into better interest rates or terms. As with price-control contracts or crop presales, insurance policies are used as a tool to support a credit application, since they reduce the risk for financial institutions.

### 3.5 Other products explored in local-level interviews

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At the local level, financial institutions were also asked about other products, such as savings accounts and insurance policies.

**Regarding savings accounts, with some exceptions, the average balance per savings account is above COP2 million.** However, savings accounts also generally show a high level of inactivity. In cooperatives, the average balance is between COP500,000 and COP1 million, while the average balance in banks is more varied: some banks’ average savings account balances are around COP500,000, while others’ are more than COP2 million. However, financial institutions note that these accounts have high percentages of inactivity. In cooperatives, more than 50% of the accounts are inactive. Banks present a better panorama: four out of five banks report less than 30% of their savings accounts as inactive, with only one bank reporting a critical condition of more than 75% inactivity; this is compared to 53% inactivity at the national level.<sup>22</sup> There are a number of reasons for high inactivity: accounts linked to a credit disbursement, accounts opened for payroll, distance to the branch, the “4x1,000” (transaction tax), and the lack of resources and savings culture.

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<sup>22</sup> Banca de las Oportunidades, Third Financial Inclusion Report, 2014. Figures as of December 2013..

**The requirements to open a savings account include the national identification card (*cédula*), as well as a number of additional documents,** including the client registration form, proof of income, two personal references, financial balances, and job certificate.

**Financial institutions have accounts without management fees and offer some free transactions.** However, they require a minimum opening balance of at least COP46,000. Banks do not require the client to maintain a balance in the account. The minimum balance starts at COP46,000 for cooperatives and goes up to COP74,000 for private banks. While However, only 4 out of 5 cooperatives and no banks require clients to keep a balance. Most of the institutions have an account without management fees and with some free transactions, all charge fees if the account holder exceeds a certain number of transactions per month or performs transactions at the branch.

**All banks allow clients to make deposits at the branches.** Some banks also use bank agents, though the branch is still the most used channel, even though branch transactions have a cost. Withdrawals can be made at branches, agents, and ATMs, and most of the times have an associated fee. In municipalities where agents are the only financial channel, agents are used to make deposits and collections (such as to collect public utility payments, averaging COP400,000, and to pay Familias en Acción subsidies). In only one of the four municipalities of this type, each month the bank sends a microcredit field officer, who is authorized to receive credit requests.

**All institutions offer some kind of insurance other than credit insurance, but only 20% of the clients acquire such a policy.** The most sold insurance is life insurance, which costs COP6,500 per month. In addition to life insurance, the institutions offer business, property, funeral, unemployment, theft, and accident insurance. Excluding the credit insurance, in 85% of the institutions, the most sold insurance is life insurance, followed by funeral insurance. Regarding the agricultural sector, Banco Agrario, two private banks, two NGOs, and one cooperative offer some kind of insurance product for agricultural producers, with only one specifically mentioning crop insurance.

### **3.6 Government programs**

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**According to interviews, the subsidies for farmers tied to a credit discourage the demand for resources in conditions similar to other sectors of the economy.**<sup>23</sup> At the national level, institutions believe that the fact that farmers have access to funds under more favorable conditions (e.g., terms and interest rates) that are always tied to Finagro's resources makes them unwilling to accept credits under actual market conditions, making it hard for the supplier to recover origination costs. This results in greater difficulty in giving medium- and large-scale clients credits that are not linked to subsidies.

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<sup>23</sup> Policies aimed at supporting the agricultural sector include a number of direct subsidies. Of these, the one that absorbs the most resources is the Rural Development with Equity Program, which includes two types of interventions: one through technical assistance and the other through the possibility of accessing two lines of credit (the Special Line of Credit and the Rural Capitalization Incentive).

**One of the biggest concerns in the financial sector is the risk of default arising from political agendas.** Financial institutions are concerned about the government's regular offering of non-payment alternatives (such as debt rescheduling and the purchase of agricultural portfolios) during negotiations with farmers as a result of agricultural strikes.

### **3.7 Vision of the real sector funders**

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To understand other types of financing schemes that are common in the agricultural sector, four agricultural input companies and three agriculture-product-purchasing companies were interviewed at the national level. Additionally, at the local level, eight input suppliers were interviewed in different municipalities, of which four sell to small-, medium-, and large-scale customers and four sell only to small-scale customers.

#### *3.7.1 Agricultural input suppliers*

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**The sales scheme used by large agricultural suppliers to reach the final producer is based on traditional distribution channels developed at the regional and local levels.** They sell directly only to large-scale farmers, since most of their sales are performed using the distribution chain. This chain starts with regional wholesalers, who, in turn, sell directly to local stores or are suppliers of local subdistributors or agricultural input stores in each municipality; these stores, in turn, directly reach local farmers.

**Input suppliers at the national level do not contemplate the possibility of selling directly to the final customer,** because developing a nationwide outreach would require large investments in terms of capital, staff, vehicles, and logistics. Input suppliers highly praise and defend the current structure, which consists of no more than 100 distributors per company and does not involve exclusivity clauses.

**Starting from the agricultural input producers, each link of the chain assumes the risk of financing its own clients, through credit lines and different payment terms.** As mentioned, the first link consists of input producers, who offer revolving credit lines without interest and have terms of 60 to 90 days. In practice, the terms can extend to 180 days or even a year, depending on the long-term relations and reasons for the delay, without punishment or default interest. The second link consists of wholesalers, who finance the subdistributors or local input stores, offering terms of 90 to 120 days, which are then transformed into the direct sale to the farmer, with terms of 30 to 90 days. The terms for the final farmer can be adapted to the crop cycle, for up to 180 days and with only one payment. These entities will give credit to small farmers only if they have previous knowledge of their financial situation and trust their ability to honor the commitment. The punishment for not paying back is the impossibility of buying inputs there again.

At the local level, input shops use different financing options, though half of them (50%) use the financing schemes offered by their suppliers and distributors, while 25% use their own resources and 25% borrow from banks.

**All local input suppliers offer financing schemes to their clients. On average, 46% of their clients use them, as long as they have a previously established relationship.** For small farmers, the average purchase is COP100,000, and for larger farmers, about COP173,000. Three out of eight providers interviewed offer the same term to all farmers (one to four months), while the other five give different terms depending on the productive activity. Only one charges interest (1.3% monthly), and seven offer a discount if the client pays immediately, which reflects that the financial cost is included in the merchandise price. Input shops lend to clients in cases where they know the client and the client's assets and where the client has a financial history with the store. In contrast, loans for new clients may require cosigners, mortgages, pledged assets, or previous references from the credit bureau.

**Local input suppliers say that the quality of the portfolio is not good, given that at least 15% of the customers do not pay on time.** When clients fail to pay, the provider usually loses the money and will not lend again to that client. For three of the eight suppliers interviewed, the percentage of clients who do not pay on time ranges from 15% to 30%, while for other three, this percentage rises to over 30%. Only one of the suppliers mentioned turning to cosigners and reporting the client to the credit bureau.

**The credit risk is mitigated by establishing revolving credit lines that are often guaranteed by promissory notes and sometimes other guarantees, including mortgages, that require supervision.** To grant credit lines, these companies have created specialized risk analysis areas that require documentation similar to the kind requested by financial intermediaries when evaluating a credit application. However, distributors and subdistributors are often very informal, with weak financial statements and a lack of real guarantees or mortgages. As a protection mechanism, promissory notes from the legal representative, as well as all of the shareholders, are required. Periodically (at least once or twice a year), the companies make verification visits and update the information. Since the risk is included in the price charged for the products, it is possible to have access to discounts for big purchases or timely payment.

### *3.7.2 Financing through agricultural-product purchasers*

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Credit programs from companies that buy agricultural products seek to ensure the provision of high-quality products and to retain long-term relationships with farmers.

Several different financing schemes exist:

- **The company makes agreements with farmers' associations based on advance purchase and uses a rotating credit scheme.** The credit size is set according to the size of the association, sales history, and the number of associated farmers. No interest is paid, and the objective is to guarantee the purchase of the product, providing working capital to the associations under predefined product-quality schemes. The agreement defines a purchase guarantee and a reference price if the product meets the required quality; it is based on relationships of trust and does not charge interest or require guarantees from the association. Meanwhile, producers' associations and cooperatives receive technical assistance on how to buy, store, and pack products.

- **The company lends equipment to producers' associations or cooperatives, without requiring payment for the use of the equipment or the direct financing of part of the investment required in the production process.** For example, for irrigation equipment to improve and ensure high-quality production, funding is granted with preferential terms and interest rates and is usually deducted in installments at the time of the purchase of raw materials.
- **The company grants direct individual loans to small-scale farmers by buying their produce in advance.** This is intended to be used as working capital to guarantee the harvest of the product. The credit is equal in value to 100% of the cost of inputs plus 50% of the cost of labor per hectare and resources are disbursed in stages, according to the crop cycle. To mitigate the risk, each farmer signs a promissory note for the amount of the debt plus interest, and the company guarantees to buy the harvest, which facilitates the payment of the installment at the time of purchase. In this case, the company is financed by a bank loan under Finagro's conditions, whose terms and interest rates are transferred to the small-scale farmers. In practice, the main problems faced by the company are when producers fall behind on the agreed-to commitments or decide not to sell their harvest; since executing the promissory note is difficult, the company usually ends up having to refinance.
- Responding to the main risk faced by farmers (which is climate), public-private partnerships encouraging the use of insurance are starting to be seen. In the case of crop insurance, the premium is covered by the Ministry of Agriculture, producers' federations, and the company, to then be partly or totally covered by the farmer in a second phase.
- **Another way to retain the farmer is by translating the better prices obtained by the company into agricultural inputs through wholesale purchases, generally using producers' associations or cooperatives.** As a complement to financing programs, there are technical assistance agreements focused on improving the conditions and quality of products. Very few associations have been able to develop microcredit programs with its members, because most do not have their own resources or technical capacity to do so.

### *3.7.3 Informal credit suppliers*

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The ten informal moneylenders interviewed have around 38 clients. Their average loan size is COP515,000. The most important characteristic is the turnaround time for disbursement, which in 90% of the cases is the same day.

The moneylender covers the risk through the interest rate charged; in addition to knowing the client and the client's business, the moneylender uses other reference mechanisms, such as cosigners and guarantees. Half (50%) of the interviewed moneylenders lend to rural clients with agricultural activities, who pay on a monthly basis, while 40% require daily payments and only 10% use weekly payments. Interest rates vary; three out of ten charge

more than 100% per year, another three charge between 50% and 100%, and the rest charge less than 50% per year.

## 4 Conclusions and Recommendations

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Based on the primary information obtained from the survey of farmers and businesses in rural municipalities, the secondary information on rural households' access to financial services, and interviews of financial service providers at the national and local levels, the following key conclusions can be drawn.

### **Demand for and access to financial services**

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**In rural municipalities, households enjoy less access to financial services than productive sectors do.** This holds true for access to products like savings accounts, credit, and insurance. However, in rural areas, farmers have less access to savings products than businesses do, suggesting that distance and cost are key limitations for turning cash into formal savings at a financial institution. This situation is similar for households: although financial institutions have made important advances in increasing their outreach to households, documentation requirements and complex conditions of entry continue to make access difficult. In both cases, for households and producers, there is a close relation between income levels and the use of formal savings instruments.

**Informal savings and credit mechanisms continue to be used according to the needs.** This could indicate the a lack of adequate savings and credit formal products to suit the needs of the rural demand.

**Farmers are more susceptible to being excluded from financial services.** Most farmers are older men with low levels of education. Their activities are more informal, lack commercialization schemes to guarantee sales, and are marginally associative. To their advantage, more than 70% are landowners, but it is not clear whether they hold property titles.

**In terms of financing schemes, in spite of the aforementioned observations, almost half of farmers and businesses currently have credit with a financial institution.** These credits are largely from Banco Agrario; to a lower degree, they are from other banks and cooperatives that lend to microentrepreneurs.

**Access to formal credit is directly related to income levels and inversely related to gender.** These two phenomena can be correlated, as women tend to receive lower income than men, according to the survey results.

**There is no clear relationship between access to formal credit and financial presence while access to savings is directly related to financial presence.** This may have to do with the transaction costs involved with a client's physical distance from the financial institution, which may be more bearable when borrowing money than when saving money. The second element may be that the amounts borrowed are usually much higher than the amounts saved, meaning that the per-peso transaction cost for credit is much less than the

transaction cost for savings. Finally, it might also be due to financial institutions' development of field-officer models, whereby officers visit municipalities once or twice a week to offer credit, but do not yet have the capacity to manage savings accounts.

**Either commercial sources are not frequently used, or it is not clear for clients that when they use installments to pay for merchandise, they are using a financial scheme.** Though input producers and distributors report a general practice of installment plans, farmers report that they more frequently use credit from shops, and only marginally from input providers, while businesses more frequently use credit from their providers.

**Though the use of informal sources of credit is confirmed, the low usage of moneylenders surprises as most prefer to borrow from family and friends.** Most people use credit from both formal and informal sources, though it seems that they choose the source according to their financing needs, whether due to a deliberate decision or because they cannot find adequate alternatives. Formal credit is generally used when financing investments, with larger amounts and longer terms, while informal credit is more frequently used for smaller amounts and shorter terms. The use of informal sources is more frequent where there are only bank agents.

**There is an apparent mismatch between supply and demand.** On the one hand, bankers are more likely to grant loans of greater amounts and with longer terms (thus diluting high origination costs per peso lent), while farmers' working capital needs are for much lower amounts and shorter terms. This reveals a gap in the financing of working capital for businesses and farmers.

**Thus, the amounts that farmers and entrepreneurs would like to have available for potential investments are well below the amounts of their current credits and the average amounts reported by financial institutions.** While recognizing that formal credit institutions offer better financial conditions, farmers are not finding compatible offers in the market for meeting their needs. In 50% of the cases, these needs are for less than COP6 million—in other words, amounts not commonly offered by financial institutions. These values also coincide with what farmers report spending annually on their crops.

**It is not clear how Colombia's subsidy policies favor small farmers.** Of the farmers who report having credit, only 20% of the survey sample had access to the Rural Capitalization Incentive, the Rural Development with Equity Program, or the Agriculture Secure Income policy. Another 30% received other types of incentives; only 7%, though having access to credit from Banco Agrario, used the FAG.

**The estimated potential market values for financial services are important, but do not seem to justify further increasing financial institutions' outreach.** In any case, the potential market on which access in rural areas should be focused must be comprehensive, since it is clear that both households and farmers would benefit from greater access.

**Credit from commercial sources does not seem to be reaching small farmers.** Though input producers and distributors consider this to be a frequently used scheme, farmers in rural areas are not generally using this mechanism to finance their working capital needs,

opting instead for informal credits from relatives and friends. This could be due to the additional cost included in the price of the products—an issue that has come up in recent protests—or to the fact that they do not consider installment plans to be a financing scheme.

### **Main obstacles faced by the supply side**

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**At the local level, branch managers do not seem to have restrictions for rural clients.** However, central policies clearly show a higher risk perception toward the agricultural sector. The schemes used to stimulate funds flow to these clients do not seem to be an adequate measure for dealing with this segment, which is highly informal. The institutions with microcredit units seem to be better suited for reaching small-scale farmers.

**Banks—because of their risk perception of the agricultural sector, combined with the low returns they receive—do not consider this sector a priority.** It is even less of a priority in municipalities where banks do not have a branch, making it difficult to find ways to encourage banks to reach producers in such municipalities.

**In general, banks have little interest in lending to small-scale farmers.** However, cooperatives, NGOs, and banks with microcredit units are performing this kind of lending, which suggests that there is a way to offer financial solutions to this population from this type of institution.

**With regard to personal injury insurance, sustainable solutions are needed for selling the insurance policies and collecting the premiums.** With regard to agricultural insurance, it is necessary to consider developing the supply and implementing pilots where customers can perceive the benefit of assuming the cost of premiums concretely, whether through reductions in interest rates or reductions in fees. Under current conditions, where financial intermediaries recognize that insurance reduces risks but do not translate this into better conditions for clients, it is unlikely that customers will wish to take out insurance policies.

### **Recommendations**

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The promotion of financing in rural municipalities requires a holistic strategy based on three pillars.

#### *Technical assistance for agricultural credit*

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**It is clear that financial intermediaries, except for Banco Agrario, have not developed a specialized model for the agricultural sector.** It would therefore be important to offer specialized technical assistance to teach these entities best practices that currently exist in the field. This technical assistance should be general, without reference to a specific project. However, it should focus on municipalities that the financial institutions are committed to serving, as well as municipalities where USAID has a particular interest in light of the programs under implementation.

Potential allies for this type of initiative include both private banks and microcredit NGOs, depending on the prioritized geographic region. An intervention with Banco Agrario is recommended only after the reforms suggested in the third section have been implemented.

In order to demonstrate the advantages and models that can be implemented to mitigate risks, partnership projects can be structured within one of the existing chains in the country, linking a financial institution to this chain so that it is neither the supplier nor the buyer who provides funding. Rather, the suppliers and buyers would be in charge of providing technical assistance and ensuring purchasing conditions for producers in order to mitigate risks to the funder. In turn, this would generate models that could be replicated by financial institutions. USAID programs in the country have had experiences structuring alliances of this type, but if these are complemented with the abovementioned technical assistance to financial intermediaries, the multiplying potential of these examples could be significantly extended.

Finally, the greatest effort should be spent on supporting insurance companies in the development of adequate products for rural areas. In this case, and given the complexity of creating low-cost distribution channels, the initial pilots should be concentrated in larger rural municipalities in order to generate sufficient scale to justify the investment in product development, using channels already in place for premium payment and renewals (branches and agents).

### *Guarantees*

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In the short term, and while new coverage and insurance instruments are being developed, the perception within the financial sector concerning the higher risk of financing the agricultural sector will prevail, making it difficult for small-scale farmers to obtain credit. Thus, it is important to work simultaneously on different fronts regarding guarantee tools.

First, and taking advantage of Colombia's new regulation on guarantees, it would be appropriate to support the government in the development of the required institutions for the regulation's implementation, particularly regarding registries and the execution of guarantees.

More specifically, it would be interesting to explore ways to support the incursion of several financial institutions in the agricultural sector that, having enough funds perceive a high risk, which could be done through the Development Credit Authority guarantee scheme (similar to what has been developed for Bancamía) to complement the technical assistance project mentioned earlier. This could also serve as an additional support to those entities using movable collateral.

Finally, and because of the funding restrictions expressed by NGOs and cooperatives that are willing to give more credit in rural areas, it would be interesting to explore whether a Development Credit Authority guarantee could help these entities have access to Finagro funds. This would also help Finagro learn about these institutions, which have not been their traditional clients, and allocate its funds among different stakeholders in order, other than Banco Agrario, to finance small farmers.

### *Support public policy reforms*

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As demonstrated by former USAID studies, Colombia's financial policy for the agricultural sector has significant deficiencies that need correcting. Support to the government of Colombia is critical over the next month because Finagro's directives, together with the Ministry of Agriculture and the National Planning Department, are carrying out a series of reforms, including a bill currently before the Congress based on the recommendations of previous studies performed under USAID's Public Policy Program in 2012 and 2013.<sup>24</sup> Continuing to work in this direction is essential to be able to support the interventions mentioned in the previous pillars.

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<sup>24</sup> Marulanda Consultores, 2012. "Propuestas de Reforma al Sistema de Financiamiento Agropecuario," USAID-CPPP.

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## Anexo 1: Nota Técnica – Expansión de la Muestra

La selección de la muestra se realizó siguiendo parámetros técnicos estrictos para poder realizar expansiones al universo, de tal forma que cada uno de los encuestados representara a grupos de población. Así, las 528 empresas representarán a todas las empresas de municipios rurales y los 514 productores a todos los productores en municipios rurales a una distancia de una hora del casco urbano.

Es relevante recordar que fueron seleccionados, de forma aleatoria y estratificada<sup>25</sup>, 20 municipios<sup>26</sup> del universo de municipios más rurales de Colombia, en donde las condiciones de seguridad permiten realizar este tipo de trabajos.

De los 1102 municipios del país, se seleccionaron 563 municipios que cumplieran las condiciones de ruralidad y seguridad. Este es el universo de referencia. En estos municipios habitan 7.5 millones de personas y se distribuyen por región y presencia financiera de la forma en que se presenta en la siguiente figura: La región Atlántica y Oriental tienen una distribución muy similar según la presencia financiera. En contraste, la Central se tiene una mayor proporción de alta presencia financiera (48%), mientras que en Pacífico se tiene una recarga en solo Banco Agrario y CNB.

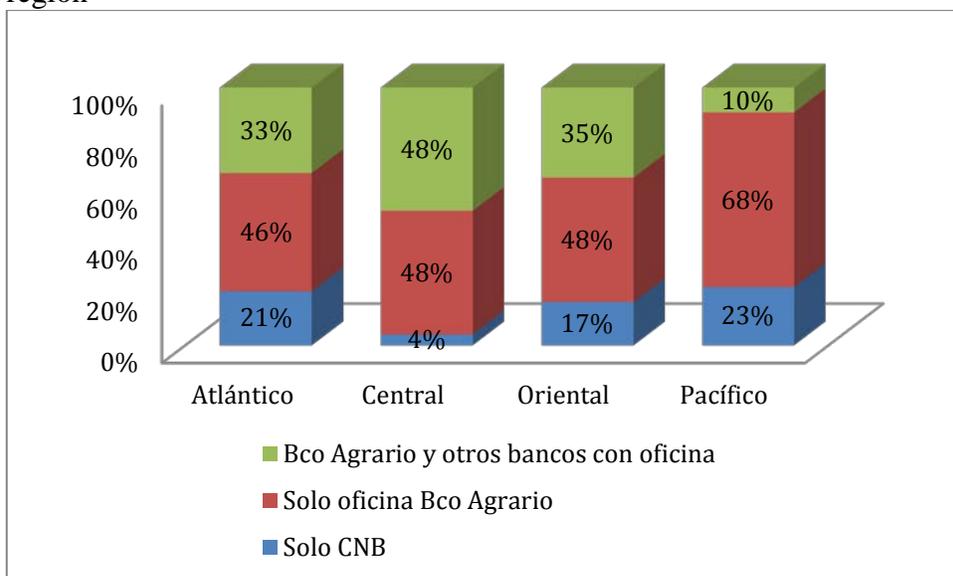
Región	Departamento	Municipio	Presencia financiera	PIB (\$000 mill)	Población	Pob en resto
<b>Atlántica</b>	Sucre	Sucre	Banco Agrario	71	22,374	66%
	Sucre	El Roble	Solo CNB	33	10,432	59%
	La Guajira	Barrancas	Otras Inst. Financieras	1,84	33,849	49%
	Cesar	Gamarra	Otras Inst. Financieras	88	16,438	44%
<b>Central</b>	Tolima	Villahermosa	Banco Agrario	69	10,751	66%
	Antioquia	Maceo	Banco Agrario	73	6,937	59%
	Antioquia	Abriaquí	Solo CNB	17	2,175	65%
	Antioquia	Yalí	Solo CNB	46	8,240	62%
	Tolima	Ambalema	Otras Inst. Financieras	109	6,908	24%
	Huila	Yaguará	Otras Inst. Financieras	556	8,832	15%
<b>Oriental</b>	Santander	Chima	Banco Agrario	26	3,107	72%
	Norte de Santander	Cachirá	Banco Agrario	47	10,923	85%
	Boyacá	Betétiva	Solo CNB	10	2,113	81%
	Cundinamarca	El Peñón	Solo CNB	42	4,818	91%
	Boyacá	Garagoa	Otras Inst. Financieras	113	16,910	20%

<sup>25</sup> Por región y por tipo presencia financiera.

<sup>26</sup> Ver mapa adjunto.

	Santander	Charalá	Otras Inst. Financieras	98	10,625	45%
<b>Pacífica</b>	Nariño	Ricaurte	Banco Agrario	45	18,255	87%
	Nariño	Buesaco	Banco Agrario	100	24,767	76%
	Cauca	Sucre	Solo CNB	27	8,893	84%
	Valle del Cauca	Versalles	Otras Inst. Financieras	77	7,318	58%

Distribución de la población incluidos en el marco muestral según presencia financiera y región



El proceso para generar los factores de expansión fue el siguiente:

- Cada municipio seleccionado representa un número de municipios de su grupo (por región y por presencia financiera). Por ejemplo, el municipio de Abriaquí representa los 11 municipios de la región Central que solo tienen corresponsal no bancario; de tal forma que su probabilidad de selección es 1/11.
- En cada municipio seleccionado se realizó conteo de manzanas con presencia comercial y de estas se seleccionaron aleatoriamente entre 7 y 9 manzanas. Por ejemplo, en Buesaco, de 22 manzanas comerciales se seleccionaron 7, así la probabilidad de selección de estas manzanas es 7/22. Igual ejercicio se hizo con las veredas ubicadas a una hora (como máximo) del casco urbano en transporte público. Por ejemplo, en Garagoa, de 11 veredas se seleccionaron aleatoriamente 3.
- Dentro de las manzanas y veredas seleccionadas, se hizo el conteo total de empresas (recorrido de toda la manzana) y de productores (listados con los líderes veredales), respectivamente. En cada caso, se realizó una selección aleatoria de aquellos a ser encuestados. En los siguientes cuadros se presenta el ejercicio en un municipio como Gamarra. Por ejemplo, en la vereda Puerto Viejo, de los 28 productores de la

vereda, se seleccionaron aleatoriamente 10 y se tuvieron 7 encuestas efectivas y 3 con otro tipo de resultado<sup>27</sup>, por ejemplo ausencia del dueño de la actividad productiva o aquel que supiera sobre ese tema.

Cuadro de verificación de muestra

<b>VEREDAS</b>	<b>COD</b>	<b>UNIVERSO</b>	<b>SELECCIÓN</b>	<b>ENCUESTADOS</b>	<b>RECHAZOS</b>	<b>OTRO RESULTADO</b>
<b>PUERTO VIEJO</b>	1	28	10	7	0	3
<b>LOS PALMARES</b>	2	18	10	7	0	3
<b>LA ESTACION</b>	3	31	10	7	0	3
<b>MERCADO CAMPESINO</b>	9	21	10	9	0	1

Así, en Puerto Viejo, cada encuestado tuvo una probabilidad de selección de 7/28.

- Finalmente, se agregan todas las probabilidades de selección:

*Probabilidad de selección del encuestado \* probabilidad de selección de la manzana (o vereda) \* probabilidad de selección del municipio; y se obtiene el factor de expansión para cada encuestado.*

El siguiente cuadro presenta los factores de expansión promedio, mínimos y máximos. Como se puede ver, las fincas o productores tuvieron mayores factores de expansión que las empresas; y por tipo de municipio, los municipios solo con Banco Agrario tuvieron los mayores factores de expansión, dado que estos son los más numerosos en el universo.

Factores de expansión: promedio, mínimos y máximos por tipo de encuesta, según presencia financiera en el municipio

		<b>Bco Agrario y otros</b>	<b>Solo Banco Agrario</b>	<b>Solo CNB</b>	<b>Total general</b>
<b>Empresa</b>	<i>Promedio</i>	31.2	91.2	36.1	55.9
	<i>Min</i>	10.0	24.5	5.5	6.0
	<i>Max</i>	116.7	266.1	113.8	266.1
<b>Productor</b>	<i>Promedio</i>	43.5	132.3	102.9	91.0
	<i>Min</i>	7.0	24.5	5.5	6.0
	<i>Max</i>	167.6	403.2	372.8	403.2
<b>Total</b>	<i>Total general</i>	37.5	112.1	69.5	73.7

<sup>27</sup> Es muy importante identificar la razón por la cual no se encuestó a los seleccionados aleatoriamente. En este caso, fue porque la persona idónea para contestar la encuesta no se encontraba presente.

<i>Min</i>	7.0	24.5	5.5	6.0
<i>Max</i>	167.6	403.2	372.8	403.2

Finalmente, al aplicar los factores de expansión, lo que se tiene es una expansión a 48 mil productores y a 28.7 mil empresas que representarían el universo en los municipios más rurales del país. Esto quiere decir que, si se tiene una población de 7.5 millones de personas, por cada 1.000 habitantes se presentan 3.8 empresas y 10 productores.

De la muestra al universo

	<i>Productores</i>	<i>Empresarios</i>	<i>Total</i>
<b>MUESTRA</b>			
<i>Otros Bancos</i>	210	203	413
<i>Sólo Agrario</i>	210	203	413
<i>Solo CB</i>	108	108	216
<i>Total general</i>	528	514	1042
<b>UNIVERSO</b>			
<i>Otros Bancos</i>	9,145	6,333	15,478
<i>Sólo Agrario</i>	27,792	18,517	46,309
<i>Solo CB</i>	11,108	3,898	15,006
<i>Total general</i>	48,045	28,749	76,794

## Anexo 2 : Resultados de la encuesta de demanda

Cuadro 2-1. Nivel educativo de productores y empresarios rurales

	<i>Primaria</i>	<i>Secundaria</i>	<i>Técnico</i>	<i>Universitaria</i>	<i>Posgrado</i>	<i>Ninguna</i>
<b>Tipo de formulario</b>						
<b>Productor</b>	67.5%	20.3%	1.9%	1.7%	0	8.6%
	(3.1%)	(3.3%)	(0.6%)	(0.8%)	(0.0)	(2.1%)
<b>Empresa</b>	31.7%	47.2%	11.8%	7.8%	0.4%	1.1%
	(2.0%)	(4.1%)	(1.8%)	(1.9%)	(0.4%)	(0.3%)
<b>Género</b>						
<b>Hombre</b>	61.0%	23,9%	3,8%	3,5%	0,3%	7,5%
	(3,70)	(3,20)	(0,40)	(1,00)	(0,20)	(1,70)
<b>Mujer</b>	42,9%	40,9%	8,4%	4,7%	0	3,1%
	(1,50)	(3,00)	(1,90)	(1,80)	(0,00)	(1,60)
<b>Total</b>	54,1%	30,4%	5,6%	4,0%	0,2%	5,8%
	(2,50)	(2,50)	(0,70)	(0,80)	(0,10)	(1,20)

Fuente: Econometría

Cuadro2-2.Principal actividad de las empresas rurales.

	<i>Empresas</i>	
	<i>%</i>	<i>SE</i>
<b>Industria manufacturera</b>	1,4	(0,2)
<b>Comercio al por mayor y al por menor; reparación de vehículos automotores y motocicletas</b>	75,8	(3,8)
<b>Transporte y almacenamiento</b>	0,3	(0)
<b>Alojamiento y servicios de comida</b>	7,9	(1,7)
<b>Actividades de atención de la salud y humana de asistencia social</b>	0,8	(0,4)
<b>Otras actividades de servicios</b>	13,7	(2,7)
<b>Total</b>	100	

Fuente: Econometría

Cuadro 2-3. Usos de los excedentes

	<b>Total</b>	<b>Productor</b>	<b>Empresa</b>
<b>Consumo del hogar</b>	69.8%	76.3%	58.8%
	(2.1%)	(2.2%)	(5.0%)
<b>Compra electrodomésticos y muebles para el hogar</b>	13.5%	14.7%	11.4%
	(1.5%)	(1.3%)	(3.1%)
<b>Mejora la vivienda</b>	24.3%	26.6%	20.5%
	(1.6%)	(2.1%)	(1.6%)
<b>Comprar vivienda</b>	7.0%	4.9%	10.6%
	(1.3%)	(1.9%)	(1.1%)
<b>Gasta en insumos y pagos para su actividad productiva</b>	65.6%	65.7%	65.4%
	(3.6%)	(5.8%)	(2.7%)

<b>Mejora la actividad productiva</b>	19.0%	21.6%	14.8%
	(3.3%)	(4.1%)	(2.6%)
<b>Compra animales, vehículos, etc</b>	21.2%	29.5%	7.2%
	(2.6%)	(3.1%)	(1.2%)
<b>Lo presta</b>	4.2%	4.0%	4.4%
	(0.9%)	(1.7%)	(1.8%)
<b>Paga deudas</b>	50.4%	50.0%	51.0%
	(3.1%)	(3.2%)	(3.9%)
<b>Lo guarda</b>	38.4%	40.2%	35.4%
	(3.5%)	(4.9%)	(3.3%)

Fuente: Econometría

Cuadro 2-4. Usos de los excedentes por género

	Hombre	Mujer
<b>Consumo del hogar</b>	69.3%	70.5%
	(1.6%)	(3.6%)
<b>Compra electrodomésticos y muebles para el hogar</b>	16%	9%
	(2%)	(2%)
<b>Mejora la vivienda</b>	28.8%	17.0%
	(1.6%)	(2.3%)
<b>Comprar vivienda</b>	6.2%	8.3%
	(1.3%)	(1.4%)
<b>Gasta en insumos y pagos para su actividad productiva</b>	66.7%	63.9%
	(4.4%)	(2.4%)
<b>Mejora la actividad productiva</b>	23.9%	11.2%
	(3.7%)	(2.3%)
<b>Compra animales, vehículos, etc</b>	24.4%	16.0%
	(1.7%)	(5.8%)
<b>Lo presta</b>	3.4%	5.4%
	(0.9%)	(1.7%)
<b>Paga deudas</b>	52.6%	46.7%
	(3.7%)	(3.9%)
<b>Lo guarda</b>	39.7%	36.2%
	(4.3%)	(4.7%)

Fuente: Econometría

Cuadro 2-5 Principal razón para no guardar el dinero en bancos o cooperativas por tipo de actividad y género

	Tipo de actividad		Género		Total
	Productor	Empresa	Hombre	Mujer	
<b>No hay Banco</b>	5.40%	5.70%	7.20%	2.40%	5.50%
	(1.60%)	(1.40%)	(1.80%)	(0.90%)	(1.50%)
<b>Es Lejos</b>	17.70%	7.30%	14.20%	14.70%	14.40%
	(4.00%)	(2.20%)	(3.80%)	(10.30%)	(3.00%)
<b>Mucho Descuento</b>	40.30%	48.50%	39.60%	49.00%	43.00%
	(6.30%)	(5.30%)	(6.40%)	(7.40%)	(5.00%)
<b>Poco rendimiento</b>	7.90%	10.00%	11.10%	4.20%	8.60%
	(4.30%)	(3.40%)	(5.40%)	(1.30%)	(3.50%)

<i>No confío</i>	1.90%	6.10%	2.90%	4.00%	3.30%
	(1.10%)	(3.70%)	(1.20%)	(3.50%)	(1.90%)
<i>Mucho trámite</i>	6.10%	6.90%	5.70%	7.40%	6.30%
	(1.60%)	(3.10%)	(1.50%)	(2.70%)	(1.50%)
<i>No reembolsan fácil</i>	4.60%	8.50%	6.60%	4.50%	5.90%
	(2.10%)	(1.40%)	(2.10%)	(2.10%)	(1.90%)
<i>Saldo mínimo_alto</i>	13.10%	3.60%	12.00%	6.60%	10.00%
	(5.80%)	(2.20%)	(5.50%)	(2.80%)	(4.30%)
<i>Siempre lleno</i>	2.90%	3.40%	0.70%	7.30%	3.10%
	(2.00%)	(1.50%)	(0.10%)	(4.00%)	(1.80%)

Fuente: Econometría

**Cuadro 2-6 Principal razón para no guardar el dinero en bancos o cooperativas por tipo presencia**

	<b>CNB</b>	<b>BAC</b>	<b>BAC+otro</b>	<b>Total</b>
<i>No hay Banco</i>	18.70%	0.00%	2.30%	5.50%
	(7.40%)	0.00%	(1.10%)	(1.50%)
<i>Es Lejos</i>	28.60%	14.80%	1.20%	14.40%
	(5.50%)	(2.70%)	(0.90%)	(3.00%)
<i>Mucho Descuento</i>	29.20%	42.70%	55.50%	43.00%
	(3.30%)	(10.70%)	(4.30%)	(5.00%)
<i>Poco rendimiento</i>	8.00%	9.80%	7.30%	8.60%
	(6.30%)	(6.50%)	(3.30%)	(3.50%)
<i>No confío</i>	4.00%	4.50%	0.80%	3.30%
	(0.10%)	(4.20%)	(0.20%)	(1.90%)
<i>Mucho trámite</i>	3.20%	10.10%	3.40%	6.30%
	(0.40%)	(2.80%)	(2.60%)	(1.50%)
<i>No reembolsan fácil</i>	2.20%	9.60%	3.30%	5.90%
	(2.00%)	(4.10%)	(1.50%)	(1.90%)
<i>Saldo mínimo_alto</i>	4.40%	7.90%	18.30%	10.00%
	(0.70%)	(3.80%)	(10.60%)	(4.30%)
<i>Siempre lleno</i>	1.80%	0.70%	7.90%	3.10%
	(0.20%)	(0.70%)	(5.50%)	(1.80%)

Fuente: Econometría.

**Cuadro 2-7 Consideraciones más importantes para el envío de dinero**

	<b>TOTAL</b>	<b>Productor</b>	<b>Empresa</b>
<b>Cercanía</b>	9.0%	10.7%	6.2%
	(2.1%)	(3.3%)	(1.3%)
<b>Bajo costo</b>	13.2%	11.6%	15.8%
	(2.2%)	(2.3%)	(2.7%)
<b>Seguridad</b>	62.3%	59.3%	67.2%
	(4.0%)	(5.3%)	(3.0%)
<b>Rapidez</b>	15.6%	18.4%	10.8%
	(3.2%)	(4.0%)	(2.0%)
<b>Total</b>	100.0%	100.0%	100.0%

Fuente: Econometría

Cuadro 2-8 Rangos de montos de los giros recibidos

	Tipo de actividad		Género		Tipo de presencia			Total
	Productor	Empres a	Hombre	Mujer	CNB	BAC	BAC + otro	
<b>\$154.000 o menos</b>	76.1%	17.6%	50.8%	57.0%	75.9%	40.9%	56.3%	53.1%
	(6.8%)	(6.5%)	(12.9%)	(9.6%)	(11.9%)	(6.4%)	(13.9%)	(6.5%)
<b>Entre \$154 y \$308.000</b>	13.2%	42.2%	23.8%	25.9%	21.4%	27.2%	22.3%	24.6%
	(4.8%)	(11.1%)	(8.8%)	(8.7%)	(9.9%)	(7.9%)	(9.3%)	(5.4%)
<b>Entre \$308.000 y \$616,000</b>	2.0%	16.0%	6.0%	10.0%	2.0%	10.0%	6.0%	7.0%
	(1.2%)	(4.4%)	(4.1%)	(2.9%)	(2.3%)	(4.6%)	(2.6%)	(2.6%)
<b>Entre 616,000 – 1,232,000</b>	5.0%	7.0%	6.0%	5.0%	0.0%	10.0%	1.0%	6.0%
	(4.1%)	(6.4%)	(4.0%)	(2.9%)	0.0%	(6.6%)	(1.2%)	(3.3%)
<b>Más de 1,232,000</b>	4.0%	17.0%	14.0%	2.0%	0.4%	12.0%	14.0%	10.0%
	(3.9%)	(7.9%)	(7.7%)	(1.6%)	(0.4%)	(7.0%)	(10.7%)	(4.7%)

Fuente: Econometría

Cuadro 2-9. Crédito más grande por fuente de financiación

	Tipo de actividad			Tipo de presencia		
	Total	Productor	Empresa	Solo CNB	BAC	BAC+otros
<b>Formales</b>						
<b>BAC</b>	40.0%	48.7%	25.3%	41.4%	41.3%	34.1%
	(4.1%)	(4.1%)	(3.6%)	(4.2%)	(6.0%)	(9.4%)
<b>Otros bancos</b>	13.9%	10.7%	19.3%	14.0%	12.8%	17.2%
	(2.2%)	(2.7%)	(2.0%)	(4.8%)	(3.2%)	(4.1%)
<b>Cooperativas</b>	11.8%	7.2%	19.4%	7.5%	12.2%	14.9%
	(3.3%)	(1.8%)	(6.0%)	(3.2%)	(5.3%)	(3.1%)
<b>Comerciales</b>						
<b>Asociaciones</b>	0.9%	1.5%	0.0%	0.4%	1.2%	0.6%
	(0.5%)	(0.9%)	0.0%	(0.1%)	(0.9%)	(0.5%)
<b>Tiendas</b>	6.5%	9.4%	1.6%	12.0%	5.4%	4.3%
	(1.1%)	(1.7%)	(0.7%)	(0.4%)	(1.3%)	(3.6%)
<b>Proveedores</b>	6.0%	0.7%	15.0%	3.1%	6.8%	6.3%
	(1.0%)	(0.4%)	(1.8%)	(0.8%)	(1.3%)	(2.5%)
<b>Almacén de electrod</b>	1.1%	1.4%	0.7%	0.6%	1.5%	0.4%
	(0.3%)	(0.3%)	(0.4%)	(0.1%)	(0.5%)	(0.2%)
<b>Informales</b>						
<b>Prestamista y casa de empeño</b>	2.8%	1.2%	5.4%	0.4%	3.0%	4.7%
	(0.5%)	(0.5%)	(1.3%)	(0.1%)	(0.8%)	(0.6%)
<b>Amigos, vecinos, familia</b>	17.0%	19.3%	13.1%	20.6%	15.7%	17.5%
	(2.2%)	(3.1%)	(1.8%)	(8.2%)	(2.0%)	(2.0%)

Fuente: Econometría

Cuadro 2-10. Plazo de las principales deudas por fuente

Plazo
-------

	<b>Pago a tiempo</b>	<b>0 a 6 meses</b>	<b>6 meses- 1 año</b>	<b>Más de 1 año</b>
<b>Formales</b>				
BAC	90.2%	2.0%	5.7%	92.3%
	(1.7%)	(1.1%)	(3.5%)	(3.0%)
Otros bancos	90.4%	1.6%	12.0%	86.4%
	(3.6%)	(1.0%)	(3.8%)	(4.2%)
Cooperativas	92.1%	1.3%	12.6%	86.1%
	(2.9%)	(1.3%)	(3.7%)	(4.5%)
<b>Comerciales</b>				
Asociaciones	70.8%	7.7%	0.0%	92.3%
	(15.1%)	(8.1%)	0.0%	(8.1%)
Tiendas	86.7%	94.6%	1.0%	4.3%
	(4.6%)	(4.6%)	(1.1%)	(4.4%)
Proveedores	92.9%	91.8%	4.5%	3.7%
	(3.0%)	(3.5%)	(1.4%)	(2.8%)
Almacén de electrod	92.8%	0.0%	12.6%	87.4%
	(1.0%)	0.0%	(8.8%)	(8.8%)
<b>Informales</b>				
Prestamista y casa de empeño	96.9%	73.1%	15.0%	11.9%
	(2.8%)	(13.4%)	(10.6%)	(10.2%)
Amigos, vecinos, familia	72.0%	66.0%	25.1%	8.8%
	(7.7%)	(3.8%)	(3.5%)	(4.4%)
<b>TOTAL</b>	<b>87.3%</b>	<b>25.9%</b>	<b>10.6%</b>	<b>63.6%</b>
	(2.2%)	(2.5%)	(2.0%)	(4.1%)

Fuente: Econometría

Cuadro 2-11. Acceso a Crédito Formal Por Quintil de Ingresos según Tipo de Productor

<b>Finca</b>	<b>No</b>	<b>Sí</b>
<b>Menos_ \$260,000</b>	61,8%	38,2%
	(6,7%)	(6,7%)
<b>Entre \$260,000 y \$690,000</b>	47,2%	52,8%
	(5,5%)	(5,5%)
<b>Entre \$690,000 y \$1,500,000</b>	49,2%	50,8%
	(7,7%)	(7,7%)
<b>Entre \$1,500,000 y 3,500,000</b>	48,1%	51,9%
	(5,2%)	(5,2%)
<b>Más de \$3,500,000</b>	36,7%	63,3%
	(10,6%)	(10,6%)
<b>sin respuesta de ingreso</b>	14,7%	85,4%
	(10,0%)	(10,0%)
<b>Total</b>	49,7%	50,3%
	(6,2%)	(6,2%)

<b>Empresa</b>	<b>No</b>	<b>Sí</b>
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<b>Menos_ \$260,000</b>	79,0%	21,0%
	(5,8%)	(5,8%)
<b>Entre \$260,000 y \$690,000</b>	55,1%	44,9%
	(6,2%)	(6,2%)
<b>Entre \$690,000 y \$1,500,000</b>	54,2%	45,8%
	(3,7%)	(3,7%)
<b>Entre \$1,500,000 y 3,500,000</b>	54,8%	45,3%
	(10,4%)	(10,4%)
<b>Más de \$3,500,000</b>	38,0%	62,0%
	(3,2%)	(3,2%)
<b>sin respuesta de ingreso</b>	45,7%	54,3%
	(16,2%)	(16,2%)
<b>Total</b>	52,0%	48,0%
	(3,9%)	(3,9%)

**Cuadro 2-12: Acceso a Crédito Formal Por Quintil de Activos según Tipo de Productor**

<b>FINCA</b>	<b>No</b>	<b>Sí</b>	<b>Total</b>
<b>&lt;\$7,2 Mill</b>	69,0%	31,0%	100%
	(4,7%)	(4,7%)	
<b>\$7,2&lt;\$20,6 Mill</b>	57,1%	42,9%	100,0
	(5,6%)	(5,6%)	
<b>\$20,6&lt;\$40,2 Mill</b>	53,6%	46,4%	100,0
	(6,5%)	(6,5%)	
<b>\$40,2&lt;\$80,7 Mill</b>	37,0%	63,0%	100,0
	(9,4%)	(9,4%)	
<b>Más de 80,7 Millones</b>	35,4%	64,6%	100,0
	(10,8%)	(10,8%)	
<b>sin respuesta de activos</b>	44,9%	55,1%	100,0
	(21,5%)	(21,5%)	
<b>Total</b>	49,7%	50,3%	100,0
	(6,2%)	(6,2%)	

<b>EMPRESA</b>	<b>No</b>	<b>Sí</b>	<b>Total</b>
<b>&lt;\$7,2 Mill</b>	64,8%	35,2%	100,0
	(7,4%)	(7,4%)	
<b>\$7,2&lt;\$20,6 Mill</b>	58,6%	41,4%	100,0
	(6,9%)	(6,9%)	
<b>\$20,6&lt;\$40,2_Mill</b>	47,9%	52,1%	100,0
	(4,8%)	(4,8%)	
<b>\$40,2&lt;\$80,7 Mill</b>	49,9%	50,1%	100,0
	(7,3%)	(7,3%)	

<b>Más de 80,7 Millones</b>	40,9%	59,1%	100,0
	(4,6%)	(4,6%)	
<b>sin respuesta de activos</b>	42,2%	57,8%	100,0
	(3,9%)	(3,9%)	
<b>Total</b>	52,0%	48,0%	100,0

Cuadro 2-13. Mercado potencial de transferencias

**Finca**

<i>Monto de Transferencias por quintiles y personas</i>	<i>Promedio de transferencias</i>	<i>Personas</i>	<i>Total Mercado Potencial Transferencias</i>
<b>Quintiles de ingreso</b>	<b>Pesos</b>	<b>Número</b>	<b>Pesos</b>
<b>Menos_ \$260.000</b>	77,874.22 (23,226.47)	15,245.08 (2360.87)	1,187,198,698.59
<b>Entre \$260.000 y \$690.000</b>	92,650.34 (38,249.12)	11,067.56 (2557.20)	1,025,413,174.84
<b>Entre \$690.000 y \$1.500.000</b>	216,981.80 (95,011.73)	7,974.94 (1353.93)	1,730,416,796.22
<b>Entre \$1.500.000 y 3.500.000</b>	309,875.64 (38,903.37)	4,753.79 (1828.44)	1,473,083,723.43
<b>Más de \$3.500.000</b>	401,884.20 (127,073.67)	7,682.40 (2699.58)	3,087,435,201.13
<b>Total</b>	181,996.18 (30,038.85)	46,723.77 0	8,503,547,608.47

**Empresas**

<b>Monto de Transferencias por quintiles y personas</b>	<b>Promedio de transferencias</b>	<b>Personas</b>	<b>Total Mercado Potencial Transferencias</b>
<b>Quintiles de ingreso</b>	<b>Pesos</b>	<b>Número</b>	<b>Pesos</b>
<b>Menos_ \$260.000</b>	32,041.24 (15,471.80)	2,036.86 (245.84)	65,263,514.00
<b>Entre \$260.000 y \$690.000</b>	258,076.56 (104,775.44)	4,357.24 (429.42)	1,124,501,497.22
<b>Entre \$690.000 y \$1.500.000</b>	271,135.29 (55,170.30)	7,572.89 (1359.08)	2,053,277,688.42
<b>Entre \$1.500.000 y 3.500.000</b>	599,410.96 (368,082.55)	6,872.46 (1875.48)	4,119,427,859.91
<b>Más de \$3.500.000</b>	2,125,633.44	7,129.25	15,154,172,223.51

	(344,102.55)	(988.75)		
<b>Total</b>	805,065.76	27,968.00	22,516,079,259.58	
	(169,493.79)			

Cuadro 2-14. Consideraciones más importantes para el envío de dinero por tipo de presencia y género

	Tipo de presencia			Género	
	Solo CNB	BAC	BAC+otros	Hombre	Mujer
<b>Cercanía</b>	19.1%	5.5%	9.8%	9.0%	9.0%
	(10.6%)	(1.5%)	(1.5%)	(2.5%)	(2.3%)
<b>Bajo costo</b>	9.0%	15.2%	11.1%	10.7%	17.2%
	(1.7%)	(3.1%)	(5.2%)	(1.6%)	(4.6%)
<b>Seguridad</b>	58.5%	65.2%	57.3%	62.8%	61.4%
	(12.7%)	(4.4%)	(8.1%)	(3.9%)	(5.5%)
<b>Rapidez</b>	13.3%	14.2%	21.8%	17.5%	12.4%
	(1.1%)	(4.6%)	(6.6%)	(3.7%)	(3.2%)
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

Fuente: Econometría

Cuadro 2-15. Principal razón para no tener deudas con bancos o cooperativas

	Tipo de actividad		Género		Total
	Productor	Empresa	Hombre	Mujer	
<b>No_necesitó_plata</b>	2.50%	1.50%	3.40%	0.70%	2.20%
	(0.90%)	(1.30%)	(1.10%)	(0.70%)	(0.70%)
<b>No_hay_bancos</b>	2.00%	0.00%	2.50%	0.00%	1.40%
	(1.60%)	0.00%	(1.80%)	0.00%	(1.10%)
<b>Lejos</b>	2.80%	0.00%	0.40%	3.90%	2.00%
	(2.40%)	0.00%	(0.30%)	(3.40%)	(1.70%)
<b>Altas_tasa</b>	18.80%	19.40%	21.30%	16.10%	19.00%
	(5.10%)	(5.30%)	(6.30%)	(5.70%)	(3.80%)
<b>No_confía</b>	3.50%	4.10%	1.60%	6.30%	3.70%
	(2.40%)	(2.50%)	(0.40%)	(3.90%)	(1.70%)
<b>Mucho_requisito</b>	10.50%	19.30%	13.60%	12.80%	13.20%
	(2.30%)	(2.00%)	(1.80%)	(2.40%)	(1.70%)
<b>Documentos_trámites</b>	21.40%	27.70%	28.70%	16.60%	23.30%
	(6.80%)	(2.80%)	(7.70%)	(3.90%)	(5.50%)
<b>Mucho_tiempo</b>	0.00%	0.40%	0.00%	0.30%	0.10%
	0.00%	(0.40%)	0.00%	(0.30%)	(0.10%)
<b>Respuesta_lenta</b>	2.00%	8.70%	5.40%	2.40%	4.00%
	(0.40%)	(5.40%)	(1.60%)	(1.70%)	(1.60%)
<b>No_me_sirve_oferta</b>	1.40%	2.20%	0.10%	3.60%	1.70%

	(0.30%)	(0.70%)	(0.10%)	(0.60%)	(0.20%)
<i>No_entiend_condic</i>	3.70%	0.00%	1.50%	3.90%	2.50%
	(2.00%)	0.00%	(0.70%)	(3.10%)	(1.40%)
<i>No_me_aprobaron</i>	4.00%	4.90%	3.70%	5.00%	4.30%
	(1.80%)	(1.40%)	(1.00%)	(3.00%)	(1.40%)
<i>No_gusta_deber</i>	27.50%	11.70%	17.80%	28.60%	22.60%
	(8.20%)	(3.80%)	(9.20%)	(4.40%)	(6.60%)
<b>Total</b>	100.00%	100.00%	100.0%	100.0%	100.0%

Fuente: Econometría

Cuadro 2-16. Razones para no tener un seguro

	Total	Productor	Empresa	Hombre	Mujer
<b>No hay aseguradoras</b>	21.3%	19.2%	25.0%	22.8%	19.0%
	(5.8%)	(6.3%)	(5.2%)	(6.6%)	(4.8%)
<b>Quedan muy lejos</b>	2.2%	2.4%	1.9%	1.5%	3.1%
	(0.5%)	(0.7%)	(0.4%)	(0.5%)	(1.0%)
<b>No conozco/ no entiendo</b>	22.8%	25.9%	17.3%	24.1%	21.0%
	(2.7%)	(4.0%)	(3.2%)	(2.4%)	(4.9%)
<b>No me lo dieron</b>	0.3%	0.1%	0.8%	0.1%	0.7%
	(0.3%)	(0.1%)	(0.9%)	(0.1%)	(0.7%)
<b>Cuesta mucho</b>	43.6%	45.1%	40.8%	40.2%	48.4%
	(3.4%)	(5.5%)	(5.4%)	(4.8%)	(3.1%)
<b>No hay productos</b>	1.4%	1.3%	1.6%	1.1%	1.8%
	(0.6%)	(0.6%)	(0.7%)	(0.8%)	(0.8%)
<b>No confío</b>	6.1%	4.5%	8.9%	7.8%	3.5%
	(1.0%)	(1.2%)	(2.7%)	(1.5%)	(1.4%)
<b>Muchos trámites</b>	2.3%	1.6%	3.7%	2.3%	2.4%
	(0.8%)	(0.7%)	(1.7%)	(0.9%)	(1.3%)
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

Fuente: Econometría

Cuadro 2-17. La inversión planeada sería en:

	Tipo de actividad		Género		Total
	Productor	Empresa	Hombre	Mujer	
<b>Terreno</b>	6%	19%	9%	12%	10%
	(2.30%)	(1.50%)	(2.80%)	(2.30%)	(1.50%)
<b>Insumos</b>	16%	34%	21%	22%	21%
	(4.90%)	(3.10%)	(4.20%)	(5.40%)	(3.60%)
<b>Maquinaria</b>	3%	14%	6%	6%	6%

	(1.00%)	(2.10%)	(1.20%)	(1.60%)	(1.20%)
<b>Contratar_personal</b>	0%	0%	0%	0%	0%
	0.00%	(0.20%)	(0.10%)	0.00%	(0.10%)
<b>Compra_animals</b>	24%	0%	18%	14%	17%
	(3.30%)	0.00%	(1.80%)	(4.50%)	(2.30%)
<b>Mejoras</b>	51%	34%	45%	47%	46%
	(4.70%)	(3.10%)	(5.10%)	(3.40%)	(3.30%)

Fuente: Econometría

**Cuadro 2-18. A quién le pedirían en crédito para financiar los planes de inversión.**

	<b>Productor</b>	<b>Empresa</b>	<b>Total</b>
<b>Banco_coop</b>	92.90%	91.80%	92.60%
	(1.50%)	(1.70%)	(1.00%)
<b>Amigos_Familia</b>	5.70%	5.00%	5.50%
	(1.00%)	(1.40%)	(0.60%)
<b>Prestamista</b>	0.70%	0.80%	0.70%
	(0.10%)	(0.60%)	(0.20%)
<b>Almacen_maq</b>	0.00%	0.80%	0.30%
	0.00%	(0.50%)	(0.20%)
<b>Proveed_Insumos</b>	0.70%	1.70%	1.00%
	(0.70%)	(0.30%)	(0.50%)
<b>Total</b>	100.00%	100.00%	100.00%

Fuente: Econometría.

**Cuadro 2-19. La principal razón para pedir prestado a bancos o cooperativas es:**

	<b>Productor</b>	<b>Empresa</b>	<b>Total</b>
<b>Bajos_requisitos</b>	2.70%	5.60%	3.60%
	(1.00%)	(1.70%)	(1.10%)
<b>Cercanía</b>	7.20%	0.60%	5.20%
	(2.00%)	(0.40%)	(1.40%)
<b>Bajo_interés</b>	49.40%	46.40%	48.50%
	(3.50%)	(2.70%)	(3.10%)
<b>Facilidad_pago</b>	29.80%	18.60%	26.30%
	(2.10%)	(1.50%)	(1.40%)
<b>Rápido_desemb</b>	1.20%	6.20%	2.70%
	(0.30%)	(1.70%)	(0.60%)
<b>Pagos_ajust_a_flujo_de_caja</b>	9.70%	22.50%	13.60%
	(2.00%)	(4.50%)	(2.20%)

Fuente: Econometría

Cuadro 2-20. Tipo de desastre que sufrió (%)

	<i>Productor</i>	<i>Empresa</i>	<i>Total</i>
<i>Desastres (incendio, inund, deslizam</i>	23,6 (5,3)	14,8 (3,1)	22,1 (4,5)
<i>Seguridad (grupos armados</i>	1,4 (1,0)	7,1 (1,8)	2,3 (0,9)
<i>Cambio de precios</i>	23,6 (7,7)	7,2 (2,4)	20,9 (6,8)
<i>Incumplimiento de contrato</i>	1,7 (1,1)	20,4 (3,5)	4,8 (0,6)
<i>Daños en equipos</i>	1,2 (0,4)	11,5 (4,6)	2,9 (1,1)
<i>Problemas de salud</i>	7,9 (2,6)	28,9 (3,4)	11,4 (2,9)
<i>Muertes de familiar</i>	2,0 (0,4)	10,3 (3,5)	3,3 (0,7)
<i>Muerte de animales</i>	38,5 (7,9)	0,0 (0,0)	32,2 (6,6)
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Fuente: Econometría

Cuadro 2-21. Choques que han causado las mayores pérdidas

	<i>Total</i>	<i>Productor</i>	<i>Empresa</i>	<i>Género</i>	
				<i>Hombre</i>	<i>Mujer</i>
<i>Incendio, inundación, deslizamientos</i>	41.4% (5.8%)	44.8% (6.3%)	23.8% (5.1%)	41.1% (3.9%)	41.8% (10.9%)
<i>Grupos armados</i>	5.2% (1.4%)	3.4% (1.4%)	14.4% (3.8%)	3.6% (0.9%)	8.4% (3.1%)
<i>Cambio precio</i>	17.8% (3.7%)	19.7% (4.1%)	7.8% (2.6%)	14.5% (3.7%)	24.8% (5.4%)
<i>Contrato incumplido</i>	4.1% (0.7%)	1.4% (0.9%)	17.7% (2.2%)	4.1% (0.8%)	4.1% (0.8%)
<i>Daños equipo</i>	1.3% (0.6%)	0.2% (0.1%)	7.1% (3.1%)	1.5% (0.6%)	1.0% (0.7%)
<i>Problema salud</i>	6.7% (2.1%)	3.7% (1.9%)	22.0% (5.2%)	5.8% (1.9%)	8.6% (2.9%)
<i>Muerte familiar</i>	3.7% (1.1%)	3.0% (0.7%)	7.2% (3.7%)	3.4% (0.8%)	4.4% (2.0%)
<i>Muerte animales</i>	19.9% (3.8%)	23.8% (4.6%)	0.0% (0.0%)	26.1% (5.1%)	6.8% (2.5%)
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Fuente: Econometría

**Cuadro 2-22. Medida adoptada para superar la emergencia, por tipo de emergencia**

<b>Supera emergencia vs importante emergencia</b>									
	<i>Desastres naturales</i>	<i>Seguridad</i>	<i>Precios cambian</i>	<i>Incumplimiento contrato</i>	<i>Daños equip</i>	<i>Salud</i>	<i>Muerte familiar</i>	<i>Otro</i>	<i>Total</i>
<b>Uso_Ahorro</b>	8.00%	22.50%	5.90%	0.00%	16.70%	9.20%	0.00%	9.00%	8.00%
	(2.10%)	(11.30%)	(5.30%)	0.00%	(17.20%)	(5.80%)	0.00%	(5.10%)	(2.30%)
<b>Venta_Activos</b>	16.70%	44.50%	7.70%	35.80%	0.00%	2.80%	29.30%	20.80%	16.90%
	(5.50%)	(25.30%)	(5.30%)	(31.00%)	0.00%	(2.60%)	(10.70%)	(7.90%)	(3.20%)
<b>Préstamo_amigos</b>	24.40%	0.00%	23.10%	57.60%	53.80%	26.90%	20.00%	13.80%	21.30%
	(2.90%)	0.00%	(3.60%)	(32.20%)	(30.80%)	(9.10%)	(7.30%)	(1.20%)	(0.70%)
<b>Prestamista_empeño</b>	0.60%	0.00%	0.50%	0.00%	0.00%	3.10%	0.00%	(1.80%)	1.00%
	(0.40%)	0.00%	(0.60%)	0.00%	0.00%	(4.00%)	0.00%	2.00%	(0.40%)
<b>Prést_Banco</b>	17.40%	2.10%	20.80%	0.00%	29.50%	0.00%	15.90%	(2.80%)	16.70%
	(4.20%)	(2.20%)	(11.10%)	0.00%	(26.60%)	0.00%	(14.30%)	(2.80%)	(4.90%)
<b>Rifas_bazares</b>	0.00%	0.00%	4.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.90%
	0.00%	0.00%	(5.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	(0.90%)
<b>Nada</b>	30.80%	18.20%	25.90%	6.60%	0.00%	35.30%	34.90%	36.50%	30.70%
	(4.90%)	(9.10%)	(8.70%)	(7.60%)	0.00%	(21.50%)	(22.20%)	(3.40%)	(4.70%)
<b>Trabajó_alguien_más</b>	2.10%	12.70%	11.80%	0.00%	0.00%	22.70%	0.00%	0.00%	4.50%
	0.00%	0.00%	0.00%	0.00%	0.00%	(16.20%)	0.00%	0.00%	(2.20%)

Fuente: Econometría

**Cuadro 2-23. Tipo de seguro que se considera más importante**

	<b>Tipo de actividad</b>			<b>Género</b>	
	<i>Total</i>	<i>Productor</i>	<i>Empresa</i>	<i>Hombre</i>	<i>Mujer</i>
<b>Exequial</b>	7.9%	6.3%	10.6%	6.9%	9.5%
	(2.2%)	(2.4%)	(3.1%)	(2.0%)	(3.2%)
<b>Vida</b>	23.4%	23.5%	23.2%	23.3%	23.4%
	(3.1%)	(4.7%)	(1.7%)	(2.9%)	(4.9%)
<b>Producción</b>	13.7%	18.6%	5.6%	15.5%	10.9%

	(4.3%)	(6.0%)	(1.8%)	(4.6%)	(3.8%)
<b>Vivienda</b>	6.3%	4.7%	8.9%	5.0%	8.4%
	(1.1%)	(1.4%)	(2.5%)	(1.1%)	(1.7%)
<b>Salud</b>	46.8%	44.6%	50.3%	47.4%	45.8%
	(4.0%)	(4.7%)	(3.5%)	(6.1%)	(3.2%)
<b>No sabe</b>	2.0%	2.3%	1.4%	2.0%	2.0%
	(0.4%)	(0.9%)	(0.5%)	(0.7%)	(0.5%)
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

Fuente: Econometría

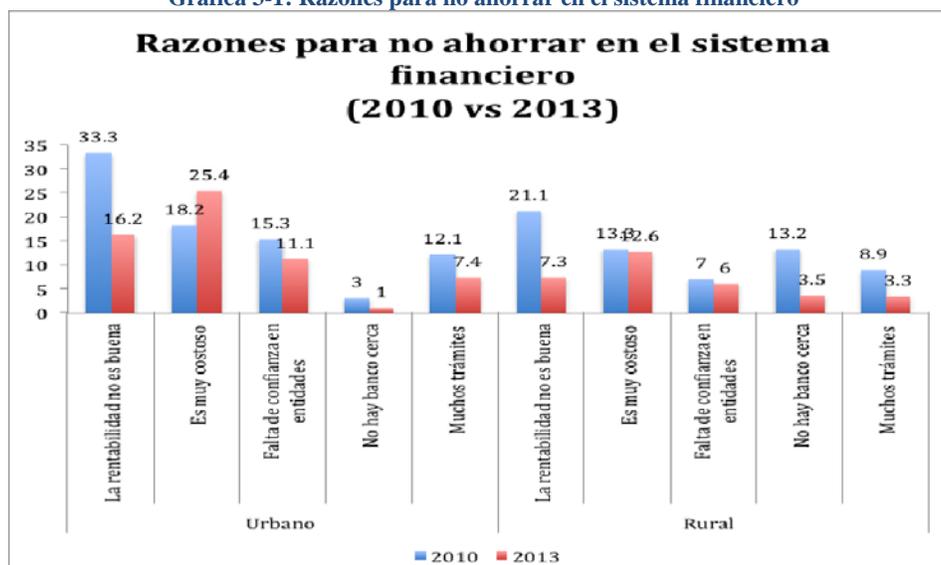
## Anexo 3 : Cuadros Demanda Hogares

**Cuadro 3-1 Número de Puntos de Contacto (PdC) por cada 10,000 adultos - Total EC**

Tipo de PdC	Dic-2008	Dic-2013
Oficinas	2.2	2.4
CB	1.7	13.5
Cajeros - ATM	3.0	4.3
Datáfonos - POS	39.6	94.6
<b>TOTAL</b>	<b>46.5</b>	<b>114.9</b>

Fuente: Reporte de Inclusión Financiera SFC y BdO 2013. Incluye cooperativas SES y ONG

**Gráfica 3-1: Razones para no ahorrar en el sistema financiero**



Fuente: ELCA

**Cuadro 3-2 :Porcentaje de hogares con crédito alguna vez y crédito actualmente**

	Ha tenido crédito alguna vez	Tiene crédito actualmente
Crédito formal comercial	64%	32%
Crédito formal financiero	47%	26%
Crédito informal	81%	35%
<b>Total</b>	<b>98%</b>	<b>66%</b>

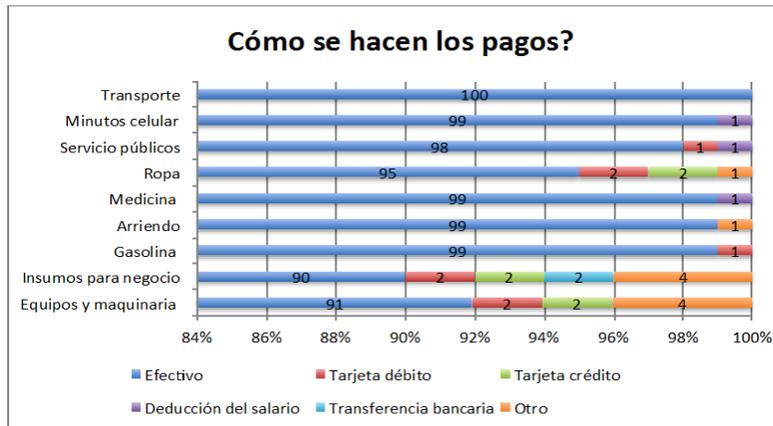
Fuente: Crédito Informal (2007)

**Gráfica 3-2: Porcentaje de hogares que envió dinero en los últimos dos años**



Fuente: Demand study for transformational MFS in Colombia, IFC

**Gráfica 3-3: Canal utilizado para hacer pagos**



Fuente: Demand study for transformational MFS in Colombia, IFC

## Anexo 4 : Cuadros de oferta

**Cuadro 4-1: Total desembolsos de establecimientos de crédito y otorgamiento de cartera agropecuaria (Enero diciembre 2011 – 2013) – Millones de COP.**

	Total Desembolsos	Créditos Agropecuarios Otorgados	%
<b>2011</b>	309,029,979	5,248,684	2%
<b>2012</b>	304,850,540	6,250,472	2%
<b>2013</b>	312,930,117	6,822,518	2%

Fuente: Superintendencia Financiera de Colombia y Finagro.

**Cuadro 4-2: Valor promedio de los créditos de las IF entrevistadas a nivel local – Millones de COP**

	Promedio de crédito agropecuario	Promedio de microcrédito
<b>ONG</b>	2.5	2.0
<b>Bancos</b>	12.6	8.7
<b>Banco Agrario</b>	8.6	2.2
<b>Coops.</b>	4.6	3.6

Fuente: Construido con información de las entrevistas a nivel local.

**Cuadro 4-3: Tasas de interés crédito agropecuario Finagro -Julio 2014**

Tipo de productor	Tasa de Redescuento	Tasa de Interés
Pequeño Productor (2)	1.9%	11.7%
Mujer rural bajos ingresos (2)	1.9%	9.7%
Medianos productores (1 y 2)	5.4%	14.7%
Grandes productores (2)	6.4%	14.7%
Pequeños productores – Microempresarios – Línea Microcrédito (2 y 3)	6.9%	Máxima legal

(A) Las tasas se calculan en valores aunque las mismas están definidas por Finagro con referencia a la tasa DTF (e.a). Para éstos cálculos se uso una DTF de 4.4 (promedio e.a. para enero- junio 2014 publicada por el Banco de la República)

(1) En créditos para capital de trabajo la tasa de redescuento es de DTF e.a. + 2%

(2) Para créditos con plazos superiores a 10 años la tasa de interés es libre, es decir que los puntos adicionales a la tasa DTF e.a. pueden ser superiores a los máximos establecidos en el cuadro anterior, y se determinarán de común acuerdo entre el intermediario financiero y el solicitante de crédito.

(3) Tasa de redescuento mínima fijada con base en la metodología definida por FINAGRO  
 Fuente: Manual de servicios Finagro versión 26. Entrevistas con instituciones financieras locales.

**Cuadro 4-4 Tasas de interés entrevistas a intermediarios locales julio 2014**

Bancos	Cooperativas	ONG
Agropecuario: Banco Agrario entre 4.9% y 11.4%, otros bancos entre 12.7% y 17%. Microcrédito entre 34.49% y 39.29%.	Agropecuario entre 13% y 22.42% y microcrédito entre 13% y 31.37%.	Agropecuario y microcrédito: entre 28.32% y 49.36%.

Fuente: Entrevistas locales.

Para el cálculo de bancos se excluye uno de los bancos especializado en microfinanzas, que cobra las mismas tasas para crédito agropecuario y microcrédito.

## Anexo 5 : Listado de personas y entidades entrevistadas de oferta a nivel nacional

### Listado de personas entrevistadas representantes de la oferta nacional

Institución	Nombre	Cargo
Bancolombia	Juan David Montoya	Gerencia de Productos de Financiación
Banco de Bogotá	Ricardo Diago	Gerente Nacional de Crédito
Davivienda	Alejandro Roldán	Gerente Regional Banca PyME y Agropecuaria
Banco Agrario	Erwin Perpiñan	Asesor área de Planeación
	Jairo Esquivel Ramos	Director de Crédito
Bancamía	Margarita Correa	Directora Ejecutiva
	Oscar Romero	Vicepresidente de riesgos
	Olga Lucia Martínez	Vicepresidente de Mercadeo
Finandina	Orlando Forero	Presidente
Microempresas de Antioquia	Patricia Pérez	Directora de Crédito
Rentandes	Alejandro Trujillo	Presidente
Leasing Bancolombia	Johana Cañas	Representante área comercial
Almaviva	Andrea González	Directora de Productos financieros
Proficol	Mario Valderrama	Gerente Financiero
Bayer	Rodrigo Marín	Head of Business operation
Italcol	Alvaro Borrero	Contralor
Colinagro	Héctor Sánchez	Gerente Financiero
Alquería	Hernán Darío Vásquez	Especialista Senior Fomento Ganadero Proyectos
	Carlos Gerardo Lozano	Coordinador Nacional Fomento Ganadero
Casa Lucker	Juan Carlos Arroyabe	Gerente Desarrollo Agrícola
Coltabaco/Phillip Morris	Juan Arias	Gerente Financiero
Ministerio de Agricultura	Miguel Fadul	Director Cadenas agrícolas
	William Granados	Coordinador de la Dirección de cadenas Agrícolas y forestales
Asociación de productores de leche Asosantuario (Guasca).	Bernardo Mancera	Representante Legal
Cooperativa de leche de Tominé - Corpotominé.	Consuelo Ospina	Tesorera