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Who finances women in agriculture? Credit gap holding back Asiaâ??s rural enterprises

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Why women farmers remain excluded from the insurance and credit needed to manage agricultural risks and invest in growth



Across India, Bangladesh, Indonesia and the Philippines, women are increasingly shaping the agrifood economy—as farmers, processors, entrepreneurs and operators of rural enterprises. Yet their growing economic participation has not translated into commensurate access to formal finance. The constraint is not merely whether women can borrow, but how much they can borrow, at what cost, against what collateral and for what purpose. Above all, does the credit available to them provide the capital needed to build and scale a business?

Agricultural modernisation demands far more than the ability to produce. Farmers need working capital to procure quality seeds and fertilisers, invest in irrigation, hire labour, adopt machinery, store produce and negotiate better prices. Agribusinesses require substantially larger and longer-term investments to establish processing facilities, build cold chains, meet quality and traceability standards, and access organised markets. For women running farms and enterprises across Asia’s agrifood value chains, the availability of such capital can determine whether an activity remains a subsistence livelihood or develops into a commercially viable business.

The distinction matters because financial inclusion and access to productive capital are not the same thing. Digital payments, microfinance, self-help groups and government-backed lending programmes have brought millions of women closer to the formal financial system. But a bank account does not finance a processing unit; a small-ticket loan cannot necessarily fund irrigation infrastructure; and access to credit does not automatically translate into the capacity to expand. The real test is whether financial institutions can provide the scale, tenure and flexibility of finance that women-led agricultural enterprises need at different stages of growth.

Evidence from the International Finance Corporation (IFC), the Asian Development Bank (ADB), national financial institutions and agricultural policy research points to a persistent disconnect between women’s contribution to agrifood systems and their

access to investment capital. Women may participate in savings groups, qualify for microloans or access basic banking services, yet encounter a far steeper barrier when seeking larger loans for equipment, infrastructure, processing or market expansion. Land ownership, collateral rules, conventional credit assessments and limited financial records can further narrow their options.

This is not simply a gender-equity deficit. It is an economic constraint on rural enterprise formation, agricultural investment and value-chain development. When women cannot secure the capital to move beyond primary production, economies lose potential processors, aggregators, technology adopters and market entrepreneurs. Asia's rural economy cannot fully realise its commercial potential while a substantial share of its enterprise base remains financially constrained.

Financial inclusion is not the same as financing rural growth

The real test of financial inclusion is not how many women have bank accounts, but whether rural finance can recognise, assess and fund the businesses they are building. Across Asia, the financial system has widened access to banking, but its lending architecture remains poorly aligned with the economics of agricultural enterprise. Credit is still largely organised around conventional collateral, documented income and predictable repayment schedules, while rural businesses operate on seasonal cash flows, uncertain harvests, fluctuating commodity prices and long investment cycles. For women, who often have weaker claims to land and fewer formal business records, this mismatch can become an additional barrier to growth.

The World Bank's Global Findex 2025 data, cited by the Food and Agriculture Organization of the United Nations (FAO), show that account ownership among women in low- and middle-income economies reached 73 per cent in 2024, narrowing the gender gap to five percentage points. This marks substantial progress in basic financial access. But account ownership is a poor proxy for productive finance. It does not reveal whether a woman farmer can secure sufficient working capital before sowing, whether a food processor can finance raw-material procurement or whether an aquaculture entrepreneur can fund successive production cycles before revenue begins to flow. Access to a bank account may bring a woman into the financial system; it does not necessarily give her the capital to build a business.

This is where the limitations of conventional rural lending become particularly visible. Agricultural borrowers need finance when expenditure is immediate but income is months away. A farmer invests before the monsoon and earns after harvest. A processor must pay suppliers, workers and transporters before receiving payment from buyers. A producer organisation may need to invest in grading, storage or logistics infrastructure whose returns accumulate over several seasons. Lending products built around fixed repayment schedules and conventional collateral rarely accommodate these realities with sufficient flexibility.

The problem is compounded by the way credit risk is assessed. Banks typically rely on registered assets, formal income, credit history and documented business operations. These are legitimate safeguards, but they can systematically disadvantage enterprises that are economically viable yet poorly documented. Women who cultivate land without holding title, run informal businesses or manage enterprises through collective structures may struggle to satisfy requirements designed around individual asset ownership and established corporate records. Their lack of collateral can become more decisive than the underlying viability of their business.

The FAO identifies limited property rights and the absence of traditional collateral as major barriers to finance for women in agrifood systems. High transaction costs in rural lending, climate-related risks, commodity-price volatility and inadequate business records add to the challenge. These are structural weaknesses in rural finance, not simply deficiencies among women borrowers. But because women often have less control over productive assets and weaker access to formal business networks, they bear a disproportionate share of the consequences.

The policy challenge, therefore, is to move beyond expanding the number of women who can enter the banking system and address the terms on which rural enterprise is financed. That means lending models capable of assessing cash flows rather than relying exclusively on land titles, repayment schedules aligned with agricultural cycles, credit guarantees that reduce perceived risk, and finance designed for cooperatives and women-led producer organisations. Until rural finance adapts to the way agricultural businesses actually operate, financial inclusion will continue to widen participation without necessarily enabling women to accumulate assets, scale enterprises or capture a greater share of value.

The paradox of participation without ownership

Women are deeply embedded in Asia's agrifood economy, but their economic participation has not translated into commensurate ownership of productive assets or control over agricultural income. They work as cultivators, agricultural labourers, fishers, herders, livestock keepers, processors, entrepreneurs and members of rural cooperatives, while also

sustaining the informal networks through which food production and rural livelihoods operate. Yet the institutions that govern access to land, finance, technology and markets have not evolved at the same pace as their participation.

The scale of this imbalance is evident in the regional data. According to FAO (2025), nearly 58 per cent of the female labour force in Asia and the Pacific works in agriculture, while only 10–20 per cent of women hold tenure rights to the land they cultivate. The disparity is particularly pronounced in Southern Asia, where 71 per cent of women in the labour force work in agrifood systems, compared with 47 per cent of men, according to FAO (2023). Meanwhile, women account for approximately 76 per cent of unpaid work in Asia and the Pacific, highlighting the extent to which their economic contribution remains embedded in activities that are poorly recognised or inadequately remunerated (UN Women, 2023).

This imbalance has direct consequences for access to institutional finance. Land remains one of the most widely recognised forms of collateral in agricultural lending, but women who cultivate family-owned, inherited or leased land without formal tenure documentation often find themselves outside conventional credit assessment frameworks. Their contribution to production may be substantial, but their ability to demonstrate asset ownership, establish independent borrowing capacity or secure investment against productive resources remains limited.

The structural contradiction: women perform a significant share of the work that sustains Asia's agrifood systems, yet often lack the formal economic standing required to finance their own participation in them. Until financial institutions begin recognising cultivation rights, enterprise cash flows, production records and other forms of economic contribution alongside conventional property ownership, expanding women's access to bank accounts or small-ticket loans will remain an incomplete response to the region's agricultural credit gap.

India: More women are borrowing. But are they getting the capital to grow?

India's experience exposes a critical fault line in women's financial inclusion: access to credit is expanding, but the flow of finance into productive enterprise remains far less substantial. More women are entering the formal credit system, yet the scale and purpose of borrowing raise a harder question—how much of this capital is helping them build businesses, acquire productive assets and move up the agricultural value chain?

A 2025–26 report by NITI Aayog's Women Entrepreneurship Platform, prepared in collaboration with MicroSave Consulting and TransUnion CIBIL, points to a significant expansion in women's formal credit access. Outstanding credit to women borrowers grew 4.8 times between 2017 and 2025, compared with 2.9 times for total credit. The number of women holding active business-purpose loans also grew at a compound annual rate of 31 per cent over the preceding three years. The momentum is encouraging. But the composition of lending suggests that access and enterprise financing are still moving at different speeds.

A separate NITI Aayog analysis of women's credit participation in 2024 found that business-purpose loans accounted for just 3 per cent of loans originated for women. Gold loans made up 36 per cent, while personal-finance loans represented 42 per cent. These figures relate to the distribution of loan originations, not the value of outstanding credit, and are not an agricultural-credit breakdown. Even so, they expose an important distinction: a woman may be an active participant in the credit market without securing the kind of finance that enables her to expand a productive enterprise.

The gap becomes more consequential in agriculture, where access to institutional credit is often mediated by land records and borrower eligibility. India's Kisan Credit Card (KCC) system, supported by the Modified Interest Subvention Scheme, provides eligible farmers with a formal route to short-term institutional finance. According to the Ministry of Agriculture and Farmers Welfare's reporting on the Economic Survey 2024–25, the country had 7.75 crore operational KCC accounts as of March 2024, with outstanding loans of Rs 9.81 lakh crore. The scale is considerable, but these aggregate figures do not reveal how much credit reaches women or whether the amounts are adequate for their production and investment needs.

A parliamentary response in March 2026 offers a clearer indication of women's participation. The number of female farmers accessing agricultural credit under the KCC–Modified Interest Subvention Scheme increased from approximately 91.35 lakh in 2022–23 to 1.12 crore in 2023–24, before easing to a provisional 1.08 crore in 2024–25. These are counts of female farmers accessing credit—not unique women-owned enterprises or the value of loans disbursed. They demonstrate reach, but not the adequacy, affordability or economic impact of the finance.

That distinction is critical for women who cultivate family-owned land but do not appear on its title. A woman may manage the farm, organise labour, make cropping decisions and shoulder production risks, yet find herself unable to establish the formal ownership or cultivation credentials required to qualify as the principal borrower. In such cases, the barrier is not a lack of farming activity or repayment intent; it is the gap between who works the land and who is legally recognised as having a claim over it. Joint land titles, recognition of tenant farmers and alternative documentation of cultivation are therefore central to

widening access to agricultural credit—not merely administrative reforms.

Nor does the financing challenge end at the farm gate. Women running food-processing units, input businesses, aggregation services and other rural enterprises need capital to purchase equipment, build inventory, improve packaging, meet quality standards and reach larger markets. Yet these businesses frequently fall between the small-ticket lending architecture of microfinance and the collateral-heavy requirements of conventional commercial banking.

A March 2026 analysis by Women's World Banking estimated that 19.2 million of India's 73.3 million nano and micro enterprises were women-owned. It found that 43 per cent of women entrepreneurs had unmet credit demand, with more than 70 per cent of their financing needs unserved or underserved. The report estimated a potential credit market of nearly Rs 75,000 crore among women-owned enterprises actively seeking finance. Although these estimates span sectors and cannot be treated as agriculture-specific figures, they point to a substantial financing opportunity among women-led businesses—including those operating across food processing, agricultural inputs and rural services.

India's challenge, then, is not simply to bring more women into the credit system. It is to ensure that finance follows their economic ambitions. Short-term crop credit can sustain a production cycle; it cannot, on its own, finance a cold-storage facility, a processing line or a business seeking to enter organised retail. That requires larger loan limits, repayment schedules aligned with cash flows, recognition of assets beyond land and lending models that assess enterprise viability rather than collateral alone. Until this distinction is built into rural finance, rising borrower numbers will tell only half the story: women may be gaining access to credit, but the capital to grow remains harder to secure.

Bangladesh: Better loan terms mean little if women cannot get through the door

Bangladesh has built a policy architecture intended to make formal finance more accessible to women entrepreneurs. Bangladesh Bank has introduced refinance facilities, dedicated lending targets and provisions allowing eligible women-owned businesses to access certain loans without conventional collateral, against personal guarantees. Its policy framework also encourages banks and financial institutions to extend agricultural and rural credit to women engaged in crop production, small-scale processing and agriculture-related enterprises. The intent is clear: lower the cost of borrowing and widen women's access to institutional finance. The harder question is whether enough women-owned businesses are making it into the formal lending pipeline to benefit.

Evidence from an International Finance Corporation (IFC) case study published in 2025 points to a significant entry barrier. Drawing on BRAC Bank's administrative data for SME loan applicants in 2021 and 2022, the study found that women-owned businesses accounted for just 5.45 per cent of accepted firms and 6.93 per cent of rejected firms in the dataset. The figures reflect the composition of this particular bank's applicant sample, not the national distribution of women-owned enterprises. Yet they offer a revealing indication of how limited women's representation can be within formal SME lending. Notably, agriculture featured more prominently among women-owned businesses in the sample: 18.57 per cent of these firms operated in the sector, compared with 4.6 per cent of male-owned businesses.

The study also complicates the assumption that women necessarily receive less favourable treatment once they secure a loan. After controlling for business performance and other characteristics, the researchers found that women-owned businesses receiving finance obtained, on average, larger loans, longer repayment periods and lower interest rates than comparable male-owned firms. In this particular lending environment, the more significant constraint appeared to lie not in the terms offered to successful women applicants, but in the much narrower transition from informal enterprise to formal, bankable business.

That is an important distinction for policymakers. Loan pricing and collateral concessions matter, but they tell only part of the story. A comparison of interest rates among approved borrowers says nothing about women who never apply, cannot complete the documentation process or operate businesses that banks do not recognise as formal enterprises. The exclusion may occur long before a loan officer assesses the merits of a business proposal.

For women in agriculture, the problem can be particularly acute. Rural enterprises frequently straddle farming, trading, processing and home-based production. A woman may have established customers, reliable sales and a viable business model, yet lack audited accounts, tax records, formal registration or a documented credit history. Collateral-free lending cannot, by itself, resolve these deficiencies. Unless banks develop simpler onboarding procedures and assess borrowers through cash flows, transaction histories and business performance, preferential credit schemes risk reaching only the relatively small segment of women entrepreneurs already equipped to navigate formal finance.

Bangladesh's experience therefore exposes two separate challenges that gender-responsive lending must address: improving the cost and conditions of credit for women who qualify, and widening the pipeline so that more women-owned enterprises

can qualify in the first place. The latter may prove more consequential. A favourable loan product has limited value if the businesses it is designed to support cannot get through the bank's front door.

Indonesia: When collateral rules defeat the purpose of public credit

Indonesia's experience with public credit guarantees exposes a familiar contradiction in rural finance: governments may underwrite lending for underserved businesses, but banks can still keep those businesses out through their own collateral requirements. The problem is not necessarily the absence of a credit programme. It is the gap between what the programme promises and what borrowers encounter at the lending counter.

Women own approximately 60 per cent of Indonesia's micro, small and medium-sized enterprises (MSMEs), according to the World Bank's Indonesia Country Gender Assessment. Yet their businesses are disproportionately concentrated in the micro-enterprise segment, where limited assets, weaker access to markets and inadequate financing constrain expansion. The government's Kredit Usaha Rakyat (KUR), or People's Business Credit programme, was designed to address precisely this financing gap. Through subsidised interest rates and partial credit guarantees, it seeks to extend loans to viable MSMEs that lack sufficient collateral to qualify for conventional bank finance.

But the programme's implementation revealed a fundamental contradiction. Research by the World Bank and the East Asia and Pacific Gender Innovation Lab found that 96 per cent of KUR borrowers in the period studied were required to provide collateral. Women accounted for only 37 per cent of recipients of micro and small KUR loans between 2015 and 2020. In effect, a programme intended to relax collateral constraints was being delivered through lending practices that continued to reinforce them.

The findings exposed a weakness in the design of public credit support: transferring part of the lender's risk to the government does not guarantee that the borrower will benefit. If participating banks continue to demand property or other conventional security, the guarantee remains largely invisible to the very enterprises it is meant to reach. For women, who are less likely to hold assets in their own names, this can turn a public lending opportunity into another inaccessible scheme.

The research helped inform regulatory changes introduced in 2023, including penalties for participating banks that demanded collateral in violation of KUR rules. The subsequent shift was significant. According to the World Bank, close to half of KUR borrowers were women following the regulatory changes, while 72 per cent of programme borrowers were accessing credit for the first time. These figures suggest that enforcement, rather than the creation of another lending facility, can make a material difference to who receives finance. They demonstrate improved access, however, not necessarily sustained business growth or a transition to mainstream commercial lending.

That next transition is crucial for agricultural enterprises. Women running food-processing units, trading produce, managing livestock businesses or providing farm services need more than an entry-level subsidised loan. As operations expand, they require larger working-capital limits, equipment finance and longer repayment periods. Banks must be able to assess business turnover, transaction histories, buyer relationships, inventory and cash flows—not rely almost exclusively on property as evidence of creditworthiness.

The World Bank's research also points to a limitation beyond initial access: participation in subsidised lending did not automatically translate into graduation to unsubsidised commercial credit. This raises a larger question about the role of public credit programmes. They should not merely bring underserved entrepreneurs into the borrowing system; they should help establish the financial track record and institutional confidence that allow viable businesses to progress beyond subsidised finance.

Indonesia's lesson is therefore twofold. Credit guarantees need enforceable rules that prevent banks from reinstating the collateral barriers they are designed to remove. Equally, public lending must create a pathway from first-time borrowing to commercially sustainable finance. Without both, a programme may widen the number of women who receive loans without changing the deeper constraints on their ability to build and scale rural enterprises.

The Philippines: Digital finance can open doors, but cannot replace sound lending

In the Philippines, the challenge is not simply getting women entrepreneurs connected to financial services; it is making their businesses visible and creditworthy to lenders. Many operate viable enterprises but lack the collateral, formal credit histories or documented financial records that conventional banks rely on. Digital finance offers a way to bridge that information gap—provided lenders are prepared to look beyond property ownership when assessing credit risk.

An Asian Development Bank (ADB) study published in October 2023, examining financial inclusion and entrepreneurship among micro, small and medium-sized enterprises (MSMEs), found that women entrepreneurs faced greater difficulty

accessing credit and were less likely to use digital financial services. The stakes extend well beyond individual businesses: MSMEs account for 63 per cent of employment in the Philippines, making access to finance a critical determinant of enterprise growth and job creation.

A further ADB study, published in July 2024, examined how fintech could improve financing access for women entrepreneurs in Indonesia, the Philippines and Viet Nam. It explored the potential of digital lenders to assess borrowers who remain underserved by conventional banking or are perceived as higher-risk because of limited formal financial records. Among its recommendations were hybrid delivery models that combine digital platforms with offline support, alongside stronger financial and digital literacy. The underlying proposition is significant: lenders can widen the pool of creditworthy borrowers if they learn to assess the economic activity of a business rather than rely exclusively on its formal financial footprint.

This opens up practical possibilities for agricultural enterprises. Digital payment trails, transaction histories, buyer invoices, supplier records and recurring sales can help establish the commercial credibility of businesses that own few fixed assets. A woman running a small food-processing unit, for example, may have regular orders from retailers and a dependable customer base but no land or substantial property to pledge as collateral. A lender capable of analysing these business transactions could assess working-capital requirements against actual commercial activity rather than property ownership alone.

Yet digital lending should not be mistaken for a shortcut around the structural problems of rural finance. Agricultural revenues are seasonal, transactions may remain partly cash-based, and digital records may capture only a fraction of a business's actual turnover. Short-tenure, high-cost loans can also create repayment stress when harvests are delayed, prices fall or buyers defer payments. An online-first model risks excluding women with limited connectivity, digital access or confidence in using financial platforms. Technology can improve the visibility of a business, but it cannot eliminate the underlying risks of agricultural production and market uncertainty.

The test, therefore, is not how many women sign up on a digital lending platform. It is whether technology enables lenders to offer appropriately sized credit, transparent pricing and repayment schedules that reflect agricultural cash flows. More importantly, can these loans help women build a verifiable credit history, acquire productive assets and progress towards larger, longer-term financing? Digital finance will have real economic value only when it moves beyond faster loan disbursal to financing the growth of viable rural enterprises.

Crop insurance: The missing link between agricultural risk and access to credit

Agricultural finance does not end with the disbursement of a loan. It also depends on whether a farmer can withstand the risks that threaten repayment. Crop failure, extreme weather, pest outbreaks, livestock disease and volatile prices can destabilise farm incomes and turn an otherwise viable enterprise into a distressed borrower. Insurance, therefore, is not merely a safety net for farmers; it is an important part of the financial architecture that can make agricultural lending more viable. Yet women's access to this protection remains constrained by many of the same barriers that limit their access to credit.

The United Nations Development Programme's (UNDP) 2023 landscape study of microinsurance offers a revealing snapshot. Among providers that reported customer gender, women accounted for 41 per cent of agricultural microinsurance policyholders, but only 33 per cent of people covered under agricultural insurance. These figures relate to the reporting subset, not the entire global insurance market: gender data were unavailable for 52 per cent of products when measuring policyholders and for more than 67 per cent when measuring people covered. The study also identified formal land ownership as a significant barrier, noting that insurance and land documentation may be registered in the names of male family members. In some cases, the crops covered by insurance products do not even correspond to those cultivated by women.

The implications extend well beyond insurance enrolment. A woman may cultivate a plot, manage its production and bear the financial consequences of a failed harvest, yet be unable to access insurance because she is not recognised as the legal landholder. The same documentation gap can restrict her access to institutional credit. This creates a reinforcing cycle of financial exclusion: without recognised rights to land or production, she struggles to secure insurance and loans; without insurance, lenders have fewer safeguards against agricultural risk; and without adequate credit, she has limited capacity to invest in irrigation, resilient inputs, protective infrastructure or improved storage that could reduce those risks in the first place.

Breaking this cycle requires insurance and lending products to recognise the realities of agricultural production, rather than treating land ownership as the sole marker of economic participation. Where regulations permit, coverage could be extended on the basis of verified cultivation, tenancy, lease or other recognised production rights. Insurers also need to align coverage with the crops and activities women actually undertake, while lenders and insurers can coordinate repayment schedules, premium payments and coverage periods with agricultural cash flows.

Insurance can make agricultural lending less risky for financial institutions by providing a buffer against production losses and income shocks. Yet women farmers often struggle to access these benefits when the land they cultivate or the assets they manage are registered in someone else's name. The result is a structural mismatch: women assume a substantial share of agricultural risk but lack equivalent access to the credit and insurance that could help them manage it. For rural finance to become genuinely inclusive, lenders must look beyond land titles and recognise women's actual participation in agricultural production.

Beyond conventional lending: Building a financial pathway for women-led agribusinesses

The evidence from India, Bangladesh, Indonesia and the Philippines points to a common conclusion: there is no single credit product capable of closing the financing gap facing women in agriculture. The barriers differ across markets and business models. A woman cultivating leased land faces a different constraint from one running a food-processing unit, managing a producer cooperative or supplying agricultural inputs. Their financing needs also change as businesses move from subsistence activity to commercial operations. What is required is not another layer of narrowly targeted lending schemes, but a more responsive rural-finance architecture that recognises these differences and supports enterprises through successive stages of growth.

Finance the business, not just the asset. Conventional lending places considerable weight on property ownership, even when a business has demonstrable commercial activity. Banks and fintech lenders need to broaden their assessment of creditworthiness by incorporating verified sales, digital payment records, purchase agreements, buyer invoices, supplier transactions and repayment histories. For produce aggregators, food processors and agricultural service providers, these records can offer a credible picture of business performance even when the entrepreneur has limited fixed assets. Cash-flow-based lending will not eliminate the need for risk assessment, but it can prevent the absence of land or property from becoming an automatic barrier to finance.

Make credit guarantees work at the lending counter. Indonesia's KUR experience demonstrates that public guarantees have limited value if participating banks continue to impose collateral requirements that defeat the programme's purpose. Risk-sharing mechanisms must therefore be accompanied by clear eligibility rules, effective monitoring and penalties for non-compliance. Their performance should be measured not simply by the volume of credit disbursed, but by how many previously excluded women receive loans, the collateral conditions attached to those loans and whether businesses subsequently gain access to commercial finance.

Unlock the value of assets beyond land. The absence of registered property should not automatically disqualify an otherwise viable enterprise. The FAO identifies movable collateral registries, warehouse receipt financing and stronger credit-reporting infrastructure as potential mechanisms for broadening access to finance. Depending on the legal and institutional framework, machinery, equipment, eligible inventory and stored commodities can help support borrowing. Warehouse receipt financing, in particular, can allow farmers and producer organisations to use stored produce as a basis for credit rather than sell immediately to meet cash requirements. But these instruments require reliable asset valuation, enforceable security rights, functioning registries and lenders willing to accept non-traditional collateral.

Use collective institutions to bridge the last mile. Women's self-help groups, cooperatives and farmer producer organisations can do more than mobilise savings or negotiate input prices. They can help lenders verify business activity, build transaction histories, aggregate credit demand and reduce the cost of reaching dispersed rural borrowers. India's Prayaas Individual Enterprise Scheme, described by Women's World Banking in 2026, illustrates this approach. It uses women-led community-based organisations as intermediaries to connect rural entrepreneurs with individual enterprise loans. Early results across Maharashtra, Bihar and Assam included 1,986 loans worth Rs 29.9 crore, with 38 per cent of borrowers accessing formal credit for the first time. These are pilot outcomes, not evidence of nationwide impact. Nevertheless, the model points to an important possibility: community institutions can help women move from collective financial participation to individual enterprise ownership and borrowing.

Build a bridge from microcredit to growth capital. Small loans can help women establish businesses, manage working-capital needs and build repayment records. But they are rarely sufficient to finance a processing facility, cold-storage infrastructure, mechanisation or expansion into organised markets. Financial institutions need a progression of products that allows successful borrowers to graduate to larger working-capital limits, equipment finance and longer-term investment loans. Crucially, this transition must be based on business performance, cash flows and growth prospects—not an assumption that women-led enterprises should remain within small-ticket lending programmes.

Measure who gets financed—and what happens afterwards. Gender-disaggregated data must become a central part of agricultural finance policy. Tracking the number of women borrowers is not enough. Institutions need to disclose applications, approval and rejection rates, reasons for rejection, loan sizes, interest rates, collateral conditions, repayment performance and

subsequent business growth. They should also distinguish between individual farmers, women-owned enterprises and collective organisations. Bangladesh's experience makes the case particularly clearly: women who successfully obtain loans may receive favourable terms, while the overall pipeline of women-owned businesses entering formal finance remains narrow. Without data on those who never make it through the lending process, policy success can be overstated.

Taken together, these approaches point towards a different model of rural finance—one that combines cash-flow assessment, enforceable guarantees, alternative collateral, community-based intermediation and a clear progression from small loans to investment capital. The objective should not be to create a separate, permanently subsidised credit market for women. It should be to correct the structural disadvantages that prevent viable women-led businesses from accessing finance on commercially sustainable terms.

Regarding Asia's agrifood economy, the opportunity is substantial. Women are already producing, processing, aggregating and marketing agricultural commodities. The missing link is a financial system capable of recognising the value of these activities and backing their expansion. The measure of success will not be how many women receive their first loan, but how many can use finance to acquire assets, build enterprises, employ others and capture a larger share of the value they help create.

Venture investment and the missing middle: Who finances the next stage of growth?

The most difficult financing gap for women-led agribusinesses often emerges not when they start a business, but when they attempt to scale it. A small farm enterprise may initially need a modest working-capital loan to purchase inputs or aggregate produce. But as it expands, its capital requirements change dramatically: equipment, cold storage, processing facilities, quality certification, larger inventories and distribution networks demand substantially more money and longer repayment horizons. Microcredit is rarely designed for investments of this scale, conventional banks may insist on collateral, and equity investors may consider rural enterprises too small, fragmented or difficult to scale. Women-led businesses can therefore find themselves caught between the limits of microfinance and the entry barriers of mainstream commercial investment. This is the missing middle in agricultural finance.

Closing this gap requires moving beyond the assumption that every growth-stage enterprise needs conventional venture capital. The financing instrument must match the business model, its cash flows and the time required to generate returns. Debt can work for enterprises with predictable revenues and established customers. Patient equity or blended finance may be more suitable for businesses involving infrastructure, technology adoption or longer gestation periods. Buyer-linked credit, purchase-order financing and supply-chain finance can help processors, aggregators and rural suppliers mobilise working capital against confirmed demand rather than fixed assets. For women-led agribusinesses, the challenge is to create a financing ladder that supports progression from micro-enterprise to commercially viable business.

The wider investment data suggest that the problem cannot be explained simply by higher borrower risk. In 2026, the International Finance Corporation (IFC) reported that, across 184 client financial institutions, women-owned small and medium-sized enterprises accounted for 27 per cent of SME loan accounts but only 19 per cent of outstanding SME loan value in 2024. Their average loan size was 28 per cent smaller than the average SME loan. Yet among 153 institutions reporting portfolio quality, the non-performing loan ratio for women-owned SMEs was 3.6 per cent, marginally below the 3.8 per cent recorded for the overall SME portfolio.

These figures cover women-owned SMEs across sectors and markets, not agricultural enterprises alone. They cannot establish that every women-led agribusiness is a lower-risk investment. But they challenge the tendency to treat women-owned businesses as inherently riskier borrowers. The combination of a smaller share of outstanding credit and a lower reported non-performing loan ratio raises a legitimate question: are financial institutions underestimating the lending potential of women-owned enterprises, or failing to design products that match their financing requirements?

The assessment must therefore move beyond the entrepreneur's gender or the absence of conventional collateral. The more relevant indicators are the viability of unit economics, reliability of customers, strength of buyer relationships, management capability, market access, climate exposure and the enterprise's ability to generate cash flows or deliver a credible return on investment. Gender-responsive investment should bring these businesses into a more accurate assessment of commercial potential—not dilute due diligence or replace it with preferential treatment.

The opportunity lies in financing the transition from a promising rural business to a scalable agribusiness. That means bringing banks, development finance institutions, impact investors, fintech lenders, supply-chain financiers and corporate buyers into a more connected financing ecosystem. Without this progression, women may be able to establish enterprises and secure their first loans, but struggle to finance the next stage of growth. Asia's agrifood economy cannot afford to leave that missing middle unfunded.

From access to finance to access to opportunity

The experiences of India, Bangladesh, Indonesia and the Philippines point to a common fault line in Asia's rural finance architecture: bringing more women into the credit system is not the same as financing their economic advancement. The constraints differ across markets, but the underlying challenge is remarkably consistent.

India's expanding base of women borrowers has yet to translate into sufficient access to productive, appropriately sized enterprise capital. Bangladesh shows that favourable loan terms mean little if women-owned businesses struggle to enter the formal lending pipeline. Indonesia demonstrates how weak implementation can undermine even a well-designed public credit guarantee programme. The Philippines, meanwhile, offers a glimpse of fintech's potential to widen access, while exposing the limits of digital lending when collateral, credit assessment and the realities of agricultural cash flows remain unresolved.

There can be no single policy prescription for such different financial systems. But there must be a common shift in approach: from counting women who borrow to examining whether they can secure the capital required to build, sustain and scale an enterprise.

That demands action across the financial value chain. Governments must strengthen women's recognition as farmers, cultivators and business owners, improve access to land and productive assets, and ensure that credit guarantees are enforced at the point of lending. Banks must look beyond conventional collateral and static income records to assess cash flows, transaction histories, buyer relationships and commercial viability. Their products must reflect agricultural seasonality, while lending data should disclose not just how many women borrow, but the amounts, costs, purposes and terms of that credit. Insurers must revisit eligibility rules that exclude cultivators without formal land titles. Investors and development finance institutions, in turn, must address the capital gap between microcredit and mainstream commercial finance.

Ultimately, the measure of financial inclusion is not the loan disbursed. It is the economic opportunity that loan makes possible.

Can a woman farmer invest in irrigation, mechanisation or climate-resilient inputs before the next planting season? Can a producer collective pay its members promptly instead of disposing of produce at distressed prices? Can a food processor acquire equipment, meet quality standards and fulfil larger orders? Can a rural enterprise withstand a failed harvest or a delayed payment without losing the assets on which its business depends?

These are not peripheral questions of social inclusion. They go to the heart of agricultural productivity, rural employment, value addition and the competitiveness of Asia's agrifood economy.

The region has spent years widening women's entry into formal finance. The next phase must be more ambitious: ensuring that capital reaches women not simply as first-time borrowers, but as productive investors, employers, processors, aggregators and owners of enterprises with the capacity to grow. That means moving beyond small-ticket lending and designing a financial system capable of recognising the businesses women already run—and financing the businesses they could build.

Until then, Asia will continue to celebrate financial access while leaving a substantial part of its rural enterprise potential stranded between the first loan and the capital needed to grow.

--- Suchetana Choudhury (suchetana.choudhuri@agrospectrumindia.com)