

Ways to support agricultural activity in Sudan, with reference to the experience of - the Sudanese Agricultural Bank –

سبل دعم النشاط الزراعي في السودان مع الإشارة إلى تجربة البنك الزراعي السوداني

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Abstract

This research aims to clarify the mechanisms supporting the development of the Sudanese agricultural sector, including the provision of the necessary financing for all agricultural production operations. The study also examines the model of the Agricultural Bank of Sudan, which is one of the most important specialized banks active in the field of agricultural financing.

The results proved that the Agricultural Bank of Sudan supports agricultural activity by relying on various methods related to increasing the value of financing provided to the category of agricultural producers, as well as resorting to land investment methods, at the forefront of which was the Murabaha formula, which became clear.

Key words: agricultural financing, agricultural sector, Agricultural Bank of Sudan.

Jel Classification Codes : XNN ; XNN

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Introduction:

Agriculture, along with industry and trade, constitutes the backbone of today's economies. With the beginning of the eighteenth century, the naturalistic view of agriculture as the sole productive economic sector emerged.

In modern times, the importance of the agricultural sector has become increasingly prominent in all areas, particularly in achieving economic development. Therefore, we must pay greater attention to this vital activity and overcome the problems that hinder its development.

One of the most prominent requirements of the agricultural sector is the need for financing, whether domestic or foreign. This is achieved through specialized financial institutions in the agricultural sector, which many countries have adopted, including Sudan, which has established several specialized government banks whose mission is to provide financial support to small farmers and agricultural workers. Among the most important of these banks is the Agricultural Bank of Sudan, established in 1957.

The objective of its establishment was to provide credit facilities and medium- and long-term loans in the agricultural sector in order to advance Sudanese agriculture, achieve agricultural self-sufficiency, and direct surplus agricultural production towards export

Problem:

What are the means by which the Agricultural Bank of Sudan finances the agricultural sector?

Importance of the Study:

1. Tracking the positive developments that have characterized the agricultural sector in Sudan
2. Understanding the position of the agricultural sector in Sudan in relation to the Sudanese economy and revealing its most important components.
3. Researching ways to support agriculture by examining its most important sources of financing, particularly the Agricultural Bank of Sudan.
4. Addressing the formulas and methods for investing in agricultural land applied at the bank selected for the study.

Study Objectives:

1. Provide a comprehensive understanding of the concept of agricultural financing in all its aspects.
2. Focus on the most important requirements for the success of agriculture in Sudan, based on its diverse capabilities.
3. Present the experience of the Agricultural Bank of Sudan in providing financial support for agricultural activities.
4. Identify the Islamic financing formulas widely used by the Agricultural Bank of Sudan.

I-The General Framework for Agricultural Financing

Agricultural financing is an important condition for the advancement of the agricultural sector in any country, as financial support for the sector facilitates and encourages the production processes undertaken by farmers, from the acquisition of the necessary seeds to the marketing of agricultural produce.

1- The Nature of Agricultural Financing:

1.1. Definition of Agricultural Financing

A set of methods and mechanisms used to collect cash and in-kind capital from specialized entities over a specific period of time and direct it to farmers to carry out production, sales, and marketing operations with the aim of raising wages and improving their standard of living.(Al-Arabi and Taroubia, 2019, p. 281)It can also be defined as: Methods for collecting the financial resources necessary for agricultural activity and exploiting them rationally.((Saad, 2009, p. 62)

It is a method that provides funds, whether cash or in-kind, from various sources for appropriate use in agricultural investment in all its branches and types, to meet the requirements for planting, sowing, and irrigation. Financing proceeds are also used to preserve livestock.

2.1. Advantages of Agricultural Financing

Providing financial support to the agricultural sector includes the following advantages:(Al-Arabi and Taroubia, 2019, p. 282)

- Working to create and maintain a sufficient volume of production output.
- Relying on the optimal use of production methods, which improves the efficiency and quality of agricultural work.
- Confronting seasonal fluctuations in income and expenditure by using loans to mitigate these fluctuations with the aim of ensuring the success of agricultural production.
- Increasing farmers' incomes, which improves their standard of living and raises their savings.
- Allowing small farmers and tenants to own agricultural land through long-term loans.
- Enhancing the continuity of agricultural production, both quantitatively and qualitatively, by providing short- and medium-term loans to farmers.

3.1 Objectives of Agricultural Financing

There are various objectives for agricultural financing, which are presented below: (College of Agriculture, Fourth Year, p. 4)

A/ Contributing to raising the level of production quantity and quality through the creation of new agricultural products.

B/ Expanding the area of cultivated land through various methods, such as reclaiming unused fallow lands and working to redistribute them to eligible groups.

C/ Linking industry to the agricultural sector by establishing agricultural industries that rely on raw materials produced by agricultural activity, on the one hand, and manufacturing the means of production used in agriculture, with the aim of providing agricultural industrial products.

D/ Carrying out agricultural marketing operations by raising the level of agricultural marketing services and increasing the efficiency and quality of marketing operations.

E/ Promoting local development at the rural level, which results in achieving social and economic development.

F/ Confronting natural disasters and economic crises by addressing harsh natural conditions through various means, in addition to finding solutions to price fluctuations and attempting to stabilize them.

G/ Increasing agricultural savings: This is achieved by moving toward self-financing and mobilizing resources, Encouraging agricultural savings by reducing agricultural expenditures.

2. Categories and Sources of Agricultural Financing

The terms and objectives of financing provided to the agricultural sector can be considered among the main determinants that make it diversified accordingly:

2.1 Categories of Agricultural Financing

Loans granted to the agricultural sector can be divided into various forms, as explained below:

A. Classification of Agricultural Financing by Term:

Agricultural financing is classified based on the time periods granted for repayment as follows:(Hassan, 1995, p. 127)

- **Short-term financing:**

This financing is provided to farmers to cover the costs of agricultural production at all stages, from sowing through irrigation and crop care to harvest. This financing covers all agricultural requirements during these stages, particularly seeds, fertilizers, and pesticides. The duration of this type of financing ranges from one to fifteen months.

- **Medium-term financing:**

This type of financing aims to help farmers secure agricultural production requirements, such as machinery, equipment, and irrigation equipment. It also contributes to their acquisition of livestock, including cattle, poultry, and other livestock. The repayment period for this type of financing ranges from three to five years.

- **Long-term financing:**

The purpose of long-term loans is to provide financial resources to agricultural investors, who repay their loans over a long period of time due to their high value. This financing is invested in establishing major projects such as building facilities, drilling wells, and land reclamation. The repayment period for these loans exceeds ten years.

B. Classification of agricultural financing according to its uses:

Loans are typically directed toward two purposes: production or consumption. This can be explained as follows:

- **Production-oriented loans:** These loans aim to increase agricultural capital accumulation, such as purchasing land and tools, reclaiming fallow land, planting fruit trees, raising livestock, or providing the necessary equipment for agricultural work throughout the season, in addition to marketing produce.
- **Consumer loans:** These are loans granted to farmers to purchase consumer goods such as food and ready-made clothing, in addition to services needed by agricultural workers such as education, health, and others.

C. Classification of Agricultural Financing by Purpose

- **Loans used for irrigated agriculture:** One of the requirements for irrigated agriculture is to provide the necessary means and equipment to provide water. To this end, farmers resort to such loans to dig wells and establish irrigation systems such as drip irrigation and center pivot irrigation, in addition to building water pumping units and reservoirs.
- **Loans used for rain-fed agriculture:** These loans are used in rain-fed agriculture to develop plant production, such as planting fruit trees and palm trees, establishing nurseries, and reclaiming agricultural land.

- Loans directed towards enhancing livestock wealth: These loans are directed towards developing and increasing livestock production, such as sheep, goat, and cattle breeding projects, as well as beekeeping, fisheries, and related accessories, in addition to establishing poultry farms.
- Agricultural machinery loans: Agricultural machinery loans are used to purchase and provide agricultural machinery and equipment, as well as agricultural supplies such as plows, tractors, and harvesters. Rural Housing Loans: This type of loan is intended for the construction of housing and buildings for agricultural workers in rural areas and villages, as well as for the construction of warehouses and farms, with the goal of ensuring a suitable environment for agricultural workers.
- Agricultural Manufacturing Loans: The purpose of agricultural manufacturing loans is to establish
- agricultural and livestock production plants, such as olive presses, dairy factories, and feed mills.

2.2. Agricultural Financing Providers.

Agricultural financing is provided by either private or public entities, which can be summarized as follows:

A. Private financiers:

These differ based on their assigned functions, and are represented in the following categories: (Hamadu and Ahmed, 2018, pp. 82-83) **Moneylenders:** The moneylender is known as the ancient lender to farmers, as government funding sources were scarce. Moneylenders usually lend their own money to others on terms not available to everyone and at high interest rates, which may increase as the debtor delays repaying their debts.

- **Traders and Brokers:** Some traders specialize in buying and selling agricultural and livestock crops directly or through central market brokers. Sometimes, we find the trader or broker financing the farmer without sharing his land with him, nor does he purchase the crops before they ripen.
- **Landowners:** Agricultural landowners specialize in providing financial support to farmers who rent their land or participate with them on a share basis, in the form of loans or other forms, to cover living expenses and agricultural needs. They then reclaim the funds after the sale of the produce.
- **Agricultural Companies:** The role of these companies is to provide and sell the agricultural equipment, machinery, and tools farmers need. They finance farmers at an interest rate equal to the interest rate offered by banks, protecting their interests.
- **Commercial Banks:** Commercial banks only grant loans to large farmers who provide adequate real estate collateral. Commercial banks may also provide loans to small farmers indirectly through intermediaries, but at higher interest rates.

B. Public Sources: Public sources of agricultural financing include the following: (Rashash, 1995, pp. 23-24)

Government agricultural lending departments: The government provides the necessary funds for agriculture by allocating financial amounts from the state treasury. These departments provide the necessary loans to farmers throughout the year.

- **Semi-governmental institutions:** These are specialized institutions that enjoy financial and administrative independence from the state budget and its administrative apparatus. They emerged pursuant to a special law that defines their objectives and management. These institutions are supported by the state due to their efforts in financing small and large farmers. Among these institutions are agricultural banks, which are credited with contributing significantly to agricultural development by meeting the financial needs of workers in the agricultural sector.

II-The Position of the Agricultural Sector in the Sudanese Economy

Sudan possesses unique economic advantages, the most important of which is its vast area, estimated at 1,865,813 square kilometers. From this perspective, it can be concluded that the area allocated to agriculture is large, but the actual area being exploited is small compared to the total area, estimated at approximately 20%. Sudan also possesses numerous assets that make it a leading country in the agricultural field, perhaps the most important of which are its wealth, such as water, forests, and livestock.

1- Factors Motivating the Sudanese Agricultural Sector

Given the prominent position enjoyed by the Sudanese agricultural sector, agriculture has occupied a prominent position in its economy. This prompts us to examine the factors behind this. Accordingly, its agricultural components can be explained as follows: (Al-Samarrai, 2024, pp. 651-652)

A - Topography and Climate:

Sudan's topography varies between plains, plateaus, mountains, valleys, and sand dunes. These regions are endowed with significant water resources. This diversity in surface appearance is matched by the diversity of soil across all of the country's borders. Sudan has diverse climatic regions, including tropical, subtropical, desert, and Mediterranean climates.

B - Water Resources:

The sources of water resources in Sudan can be explained as follows:

Rainwater: Rainwater constitutes a primary source of water resources in Sudan, as it supports an important type of agriculture, namely rain-fed agriculture, which is known for producing numerous crops. It is estimated that rainfall rates exceed 450 billion cubic meters annually. The southern regions experience heavy rainfall, while the opposite occurs in the northern regions of the country, where rainfall is less.

Groundwater: Groundwater is one of Sudan's most abundant water resources, relying more heavily on than other sources. This water is derived from basins spread throughout the country. This water is also exploited during long droughts. The most famous of these basins are the Nubian Sandstone Basins (UNEP, 2015, p. 10), with a storage capacity of 503 cubic kilometers, and the Umm Ruwaba Basins with a storage capacity of 60 cubic kilometers. **The Nile River:** The source of freshwater in Sudan is the Nile River, which originates in Lake Victoria and then flows through the Sobat River, continuing until it joins the Blue Nile, which originates in Lake Tana in Ethiopia. The merging of the two rivers produces the current Nile River, which covers 70% of Sudan's annual freshwater needs.

C- Human Resources: The population working in the agricultural sector constitutes 80% of the total population of Sudan, estimated at about 40 million people. Since its independence, the

government has been interested in developing the human element in the field of agriculture in all its aspects, qualifying and training it to reach the required level to practice this economic activity on which the Sudanese economy is based. For this purpose, research centers, universities and some institutions have focused on the field of scientific research and directed it towards developing the agricultural sector, including interest in improving the level of workers in it. (Al-Samarrai, 2024, p. 654)

D - Livestock: Livestock in Sudan is diverse, ranging from sheep, cows, camels, and horses on the one hand, to fish stocks found in rivers. (Al-Hussein and Mahjoub, 2013, p. 9), lakes, and dams on the other. It is also worth noting the wealth of poultry production, which has witnessed significant development in recent times, and the presence of a diverse range of birds and wild animals of various kinds. This wealth is estimated at approximately 103 million heads per year. This value reflects the state's interest in this wealth, as it contributes significantly to increasing exports.

E - Forest wealth: The vegetation cover in Sudan varies between forests, trees and natural pastures that contribute greatly to raising the diverse livestock wealth that the country abounds with, and this is what made it produce many agricultural and forest crops such as gum arabic, cotton, sesame and peanuts. The expansion of forests in Sudan also helped in providing wood and charcoal, in addition to aromatic plants that are used in the production of perfumes of various kinds, and medicinal plants that are directed to the manufacture of medicines and others.

2. Types of agriculture in Sudan

Agriculture in Sudan is divided into three main types, depending on the diversity of climatic regions. These can be discussed as follows: (The 39th Al-Baraka Symposium,, 2019, p. 343)

A - Irrigated Agriculture: This type of agriculture relies on water from dams, lakes, and basins. The most important source is the Nile River and the Nubian Basins. Irrigation is primarily based on irrigation from these sources rather than rainwater. Irrigation covers 25% of the cultivated area in Sudan, including large projects such as Al-Jazirah, Al-Rahad, and Al-Suki, with these three projects alone accounting for 60%. In addition, there are sugar projects in many areas, most notably Asalaya, Al-Junaid, and Sennar, as well as the White Nile Sugar Project. Irrigated agriculture produces numerous agricultural crops, including wheat, various types of vegetables and fruits, legumes, peanuts, corn, cotton, sugarcane, and green fodder for livestock.

B - Mechanized Rainfed Agriculture Sector: Mechanized rainfed agriculture constitutes a large percentage of the Sudanese agricultural sector, as rainwater is its main source and results in agricultural areas estimated at about 30%, contributing 18% to the Sudanese gross domestic product with all its sub-sectors. The most important agricultural crops that depend on mechanized rainfed agriculture are: corn, millet, sesame and cotton, because corn and millet are considered staple foods for the population, especially in rural areas. As for sesame, it is used by pressing it and extracting natural oils from it. Sesame also constitutes the raw material for the livestock feed industry, and the surplus is directed towards export and revitalizing Sudanese foreign trade. (Baker, p. 29)

C - Traditional rain-fed agriculture: This type of agriculture predominates in rural areas of Sudan, covering an area estimated at 15 million acres. It is practiced by rural residents across the country, who constitute 65% of Sudan's total population. What distinguishes this type of agriculture from other types is the small size of the areas allocated to it, the use of traditional and unsophisticated production methods, and the absence of fertilizers for agricultural plants. Despite

these discouraging characteristics of this type of agriculture, it provides abundant quantities of agricultural products that contribute to food security. Part of this is allocated to local consumption, while the other part is directed towards export, thus stimulating Sudanese foreign trade.

The following table shows the cultivated areas, whether through irrigated or rain-fed agriculture, during the period from 2016 to 2021.

Table 1: Cultivated areas during the period: 2016 to 2021:

Unit: Million feddans

Types of agriculture by year	Irrigated agriculture	Rainfed agriculture	Total area
2016/2017	3,5	51,9	55,4
2017/2018	3,3	47,2	50,5
2018/2019	3,7	59,4	63,1
2019/2020	3.7	60.7	64.4
2020/2021	4.02	66.7	70.7

Source: Annual reports issued by the Central Bank of Sudan.

After reading and examining the table, it can be concluded that the cultivated areas, both irrigated and rain-fed, increased in general during the period 2016-2021. It can also be noted that the Sudanese agricultural economy relies primarily on rain-fed agriculture compared to irrigated agriculture, as the latter is characterized by higher costs compared to rain-fed agriculture.

3- The agricultural sector's contribution to the gross domestic product (GDP)

The agricultural sector, both plant and animal, employs approximately 25% of the population in Sudan and constitutes approximately 70% of the total workforce in various sectors. The contribution of Sudanese agriculture to the GDP reached approximately 33%. (Al-Hussein and Mahjoub, 2013, pp. 9-10), which is a significant percentage compared to other Arab and African countries.

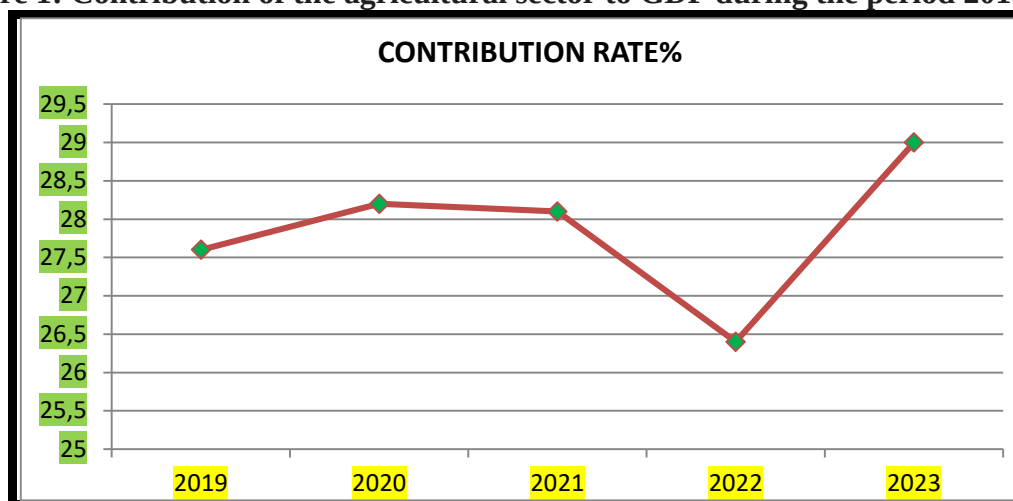
Table 2: Contribution of the agricultural sector to GDP from 2019 to 2023

Unit: Million Egyptian Pounds

Agricultural sector by years	value	Growth rate%	Contribution rate %
2019	9,9	1,0	27,6
2020	10,30	4,0	28,2
2021	10,18	1,2	28,1
2022	8,10	11,4	26,4
2023	7,63	5,9	29.0

- Sudan Economic Developments Report for 2023.

Figure 1: Contribution of the agricultural sector to GDP during the period 2019/2023



Source: Prepared by the researcher based on the values in Table 2.

Considering the contribution of Sudanese agriculture to the gross domestic product, we find it weak compared to its potential, on the one hand, and the efforts made by the state to advance it, on the other. These ratios are characterized by fluctuation and instability, reaching their lowest in 2022 and their highest in 2023. This increase is explained by the Sudanese government's prioritization of the agricultural sector and its commencement of implementation of its plan, which was designed to overcome the obstacles and challenges facing the development of agriculture.

III- The Agricultural Bank of Sudan's Experience in Supporting the Agricultural Sector

Specialized banks play important roles in financing economic sectors, such as the Agricultural Bank of Sudan, which provides financial support to the agricultural sector in various ways and means.

1- The Nature of the Agricultural Bank of Sudan

1.1. The Emergence of the Agricultural Bank of Sudan

The Sudanese banking system witnessed the birth of specialized banks in the early fifties, which can be divided according to the sector to which their financing is directed into: the Agricultural Bank, established in 1957; the Real Estate Bank, which began its operations in 1967; and the Industrial Bank, established in 1969. These banks differ from each other either in directing their financing to the economic sector for which they were established or in the difference in the duration of the financing they grant, from short to long-term financing, with the aim of financing projects that achieve economic and social development.(Al-Sadig, 2010, p. 61)

The Agricultural Bank Establishment Act was issued in 1957 and commenced operations in 1959. Paragraph 4 of this Act included the objective of establishing this bank, which is to develop agriculture in Sudan by providing financial support to farmers in cash or in-kind, so that its services can be widely utilized.(Abdul Aziz and Rahma, 2019, p. 47)

1.2.The Agricultural Bank of Sudan's activities.

The Agricultural Bank of Sudan carries out multiple activities and clear tasks that underline its scope of competence, as explained below:(Hamadu and Ahmed, 2018, p. 192)

- Developing financing policies related to the agricultural sector.
- Providing the necessary financing for rain-fed and irrigated agriculture with the aim of providing greater quantities of production and improving its quality.

- Providing financing for production inputs, such as plant and animal production requirements, machinery, and equipment.
- Establishing warehouses to preserve agricultural produce, contributing to marketing operations, and working to export agricultural products that experience extensive production.
- Expanding the scope of credit grants in cooperation with financial institutions, both local and foreign, to provide the necessary financing, especially in cases of shortages.
- Working to guide farmers by providing them with advice and guidance, contributing to their training in the field of agriculture, and assisting them in marketing their products with the aim of developing the agricultural sector in Sudan.([http://read opensoop.cpm](http://read.opensoop.cpm), 2021)

Providing traditional and electronic bank credit in the form of investment deposits directed towards investment in the agricultural sector.

1.3.Financing Policies of the Agricultural Bank of Sudan

Implementing the Agricultural Renaissance Program is the most important aspect of the financing policies of the Agricultural Bank of Sudan. This is due to the bank's commitment to financing rain-fed and irrigated agriculture, as stipulated in the financial policy of the Central Bank of Sudan and the Ministry of Finance and National Economy. This policy also focused on the need to utilize technology in agriculture and develop plans and programs for agricultural renaissance, focusing on providing financial support for products that contribute to increasing the value of exports at various stages. It also works to adhere to the credit granting rules set by the Central Bank of Sudan, in addition to implementing procedures for collecting sufficient information about customers before financing operations, as well as activating the role of Sharia supervision.(Abdul Aziz and Rahma, 2019, p. 50)

2- The Agricultural Bank of Sudan's contribution to financing the agricultural sector

The Agricultural Bank of Sudan supports agriculture in many ways, including providing necessary financing to farmers. This can be demonstrated by tracking the amount of financing granted and the financing formulas it has adopted over the years.

2.1. The amount of agricultural financing provided by the Agricultural Bank of Sudan

The following table shows the value of financing provided by the Agricultural Bank during the period 2019/2023.

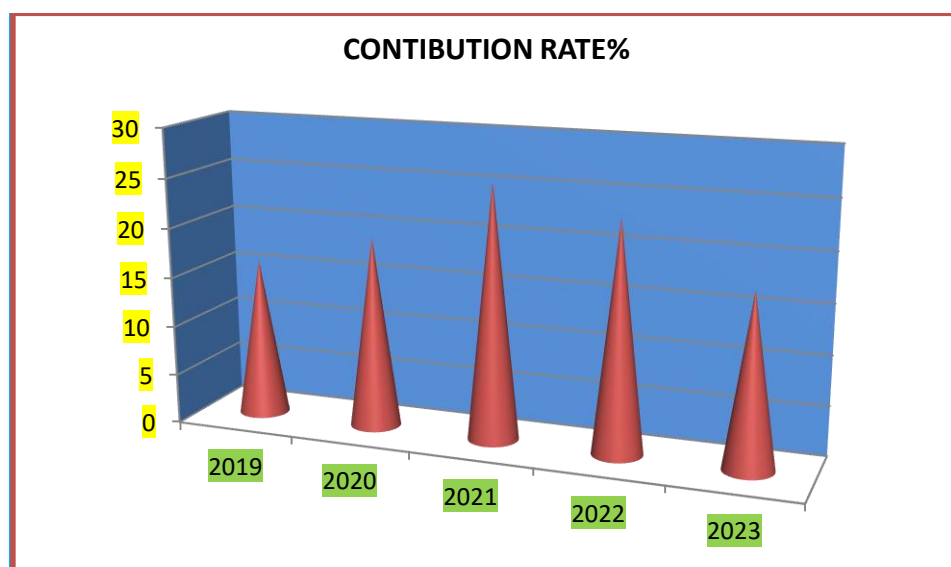
Table 3: The value of financing provided by the Agricultural Bank of Sudan to the agricultural sector during 2019/2023.

Million Egyptian Pounds

Agricultural sector per year	Value of the granted financing	Contribution rate %
2019	32,865.1	16,2
2020	68,692,8	19,3
2021	254.526.6	25,7
2022	418.216.2	23,1
2023	417.658.0	17.3

Source: Central Bank of Sudan reports.

Figure 2: Percentage of the agricultural sector's contribution to financing provided by the Agricultural Bank of Sudan during the period 2019/2023.



Source: Compiled by the researcher based on data in Table 3.

From the data presented above, we find that the value of financing provided by the Agricultural Bank of Sudan to farmers and all those working in the agricultural sector varies from year to year. It peaked in 2021, estimated at 254,526.6 million Sudanese pounds, representing a contribution rate of 25.7%. It then declined in 2022 and 2023, reaching 417,658.0 million Sudanese pounds, representing an estimated contribution rate of 17.3%. What can also be observed from this data is the increase in the contribution rate during the period extending from 2019 to 2021 and its decrease during the period 2021 to 2023.

This is due to the political instability witnessed in Sudan.

2.2. Volume of Agricultural Financing by Subsector:

The Agricultural Bank of Sudan provides the following financing services:(<http://readopensoop.com>, 2025)

A. Plant Financing: The bank increases the development of plant production and encourages investment in various aspects of investment and other development activities. However, a set of conditions must be met to obtain plant financing, which helps the client engage in agricultural activities.

B. Animal Financing: The bank finances various animal production activities, facilitating fattening, dairy production, poultry, fish, and beekeeping.

C. Microfinance: The bank aims to raise banking awareness among rural populations and encourage them to save by providing the necessary financing to small farmers and their families over the medium term, periodically during each season.

The following table illustrates the developments in financing granted to the subsectors as follows:

Sector	Plant Finance	Animal Finance	Microfinance	Non-Agricultural Finance	Total
2018	7919	2262	1132	304	11617
2019	9546	2727	1364	277	13914
2020	12123	3463	1733	352	17671
2021	15541	4440	2221	453	22655
2022	20151	5757	2879	588	29375

Source: Agricultural Bank Action Plan available on the website:
01/20/2023abs.sd/pdfs/plan.pdf

The table above demonstrates the significant development of both plant and animal financing, as well as microfinance directed at farmers during the period from 2018 to 2022. Plant financing also represents the largest share of the allocations granted to sub-sectors by the Agricultural Bank of Sudan.

.2.3.Agricultural Financing Methods at the Agricultural Bank of Sudan

The Agricultural Bank of Sudan offers various Islamic financing options, such as Profitability method, Entrepreneurship, and Sharing which are used to finance and advance the agricultural sector.

Table 5: Average Use of Islamic Financing Contracts during the Period: 2018-2022

Year	2018	2019	2020	2021	2022	Average
Murabaha	55,0	61,1	64,4	73,5	61,1	52,12
Muqawwalah	18,4	7,2	4,3	2,7	5,0	17,66
Mudharabah	5,3	4,0	5,0	1,8	1,7	5,74
Musharaka	6,4	5,0	9,0	8,0	7,6	6,32
Salam	1,4	1,6	2,6	4,7	3,3	1,92
Ijarah	0,7	0,4	0,4	0,4	0,3	0,44
Istisna	0,8	1,7	0,6	0,8	0,1	0,62
QardHasan	55,0	61,1	64,4	73,5	61,1	52,12
Other	18,4	7,2	4,3	2,7	5,0	17,66

Source: Annual reports of the Central Bank of Sudan.

It is clear from the figure above that the Murabaha formula is the most widely adopted by the Agricultural Bank of Sudan, with an average of 52.12% (during the period extending from 2018 to 2022). The widespread reliance on the Murabaha formula in agricultural financing is due to the high return and low risk rates, while we note the absence of financing formulas. Agricultural activities such as sharecropping, planting and irrigation are prohibited by this bank due to the difficulty of implementing its conditions and the high risks involved.

Conclusion:

The agricultural sector is considered a vital sector in the Sudanese economy. What has increased its importance is its financial support, particularly from banks and specialized institutions in this field, which have provided financing alternatives to develop various agricultural capabilities and resources and advance them for the better.

Among the findings are the following:

1. Successful work in the agricultural sector requires human and financial capabilities. The latter requires providing the necessary funds to sustain plant and animal production. Specialized banks provide financial support to those working in the agricultural sector with the aim of developing and promoting this activity.
2. Sudan possesses numerous capabilities and assets, such as natural and human resources, animal and forest wealth, making it a first-class agricultural country. Agriculture in Sudan is an important source of income and hard currency and a catalyst for exports.
3. The diversity of factors and climatic regions in Sudan has made it home to various types of agriculture, such as rain-fed and irrigated agriculture, each with its own crops and a specific area.
4. The agricultural sub-sectors in Sudan require financial support, particularly those related to plant and animal financing and microfinance. Therefore, the role of the Agricultural Bank of Sudan revolves around providing this financial support.
- 5- The Mudaraba contract is among the financing contracts widely implemented by the Agricultural Bank of Sudan due to its ease of implementation, high returns, and low risks.

Based on the above, we recommend the following:

- 1- Encouraging specialized banks in all economic sectors, especially agriculture, due to their role in the financing process, particularly the Agricultural Bank of Sudan.
- 2- Governments and relevant bodies should provide an appropriate environment for banks to operate, including administrative facilities and working to achieve financial and political stability.
- 3- Providing the necessary support for the cultivation of crops that achieve food security in Sudan by applying scientific methods in the development of irrigated and rain-fed agriculture.
- 4- Improving the performance level of agricultural workers by training and qualifying them, especially in the field of technology and the use of technology in agricultural work

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