

Wheat harvest and food security

The basic idea behind food security is designed to ensure access for all the people to nutritious and adequate quantity of food at all times and at affordable prices. Important foods include not only cereals like wheat, rice, corn but also fruits, vegetables, meat, pulses, sugar, edible oils and dairy products.

In Pakistan, wheat is the staple food crop followed by rice and maize in that order. These crops together account for about 94% of the 13m hectares (approx.) that come under cultivation of all food grains.

Their contribution to annual production of all food grains reported at about 34 tons works out to almost 98%. Wheat, grown on about 9m hectares annually is the most critical.

It occupies the headlines due to shortage or high pricing, smuggling, surpluses or low prices, the government's pricing policy, procurements, storage, restrictions on movement, imports/exports, etc.

This entire chain constitutes the food system. Farmers engaged in production of food, are the ones who are the most heterogeneous, diverse, unorganised and inarticulate group comprising a multitude of small, marginal and large farmers facing not only the vagaries of weather, but also the brunt of government decisions, policy interventions as well as of market forces.

Wheat growing season, from November to April, has witnessed several ups and downs from the farmers' perspective in general; ranging from occasional shortages of fertilisers, high prices of inputs, low producer prices of rice paddy, seed cotton, sugarcane and potatoes, to varying weather conditions.

The most important critical factor in the context of wheat crop, especially this year, was weather which remained pretty cold and dry during December and January, with some rainfall in February and plenty of rains and cool temperatures in March extending to April. As per available information, canal water supplies have been normal while severe load shed-



ding has hit tubewell supplies rather badly adding to the harshness of cold weather in December and January.

The crop condition generally seemed very good but lots of weed infesting wheat fields reflected poorly on seed quality and agronomic practices of the farm households. Most of the wheat fields were matured and ready for harvest but there were some field particularly in the barani tract of 'Potohar' which may take another week or so to permit harvesting.

Wheat has not only been important for food security reasons but also for its many forward and backward linkages in the economy.

According to the 2010 Census of Agriculture, about 60% of the total wheat area is estimated to be contributed by the small farms operating less than 12.5 acres. These farmers individually may have a small marketable surplus but collectively they make a significant contribution to the market produce. Operating under several constraints they need all the support and facilitation in marketing their produce to meet their production, consumption and social obligations.

Collateral - Free lending to small farmers

The State Bank of Pakistan's collateral-free lending programme is designed to help small farmers access bank credit easily. This credit guarantee scheme is being jointly sponsored by the central

bank and the federal government. This effort will help the agriculture sector respond well to crucial needs like food self-sufficiency and higher value-added exports, said Finance Minister Ishaq Dar while approving the scheme.

Small farmers can play a key role in revolutionising agricultural productivity and the supply chain if their financial needs are met and the process makes business sense for banks as well. Keeping this in mind, the federal government approved a credit guarantee scheme for small farmers who can't arrange collateral against loans. Farmers with landholding of up to five acres in canal-fed or 10 acres in rain-fed areas are eligible for the scheme, designed by the SBP. The scheme was announced in the FY15 budget, but its framework was developed months later with the input of all stakeholders.

The minimum loan size is Rs 100,000, while the maximum tenor is 1-1.5 years. The government will share 50% of the default risk and has already allocated Rs5bn for it.

According to the Bankers they have been giving more loans to small farmers for two reasons. First, their lending to the manufacturing sector remains subdued due to low credit demand (as industrial growth is not picking up fast) and secondly, the greater involvement of microfinance banks and institutions in agricultural lending continues to open up loaning opportunities for other commercial banks as well.

Since it is a collateral-free lending scheme, small farmers groups (SFGs) would serve the purpose of guaranteeing bank loans. These groups will comprise 5-15 members with similar financial needs. Blood relations and spouses living in a village can be accommodated into such groups. But they would not be made part of one particular group.

Livestock breeders with 4-40 animals (depending upon the category of the animals, i.e. sheep/goats/cows/ buffalos) would also be allowed to borrow under the scheme. In the poultry sector, small farmers with 500-1,500 birds would be eligible for borrowing. In the case of fisheries, individuals working on fish ponds of up to two acres of land or those having just one fishing boat can get bank loans under the lending programme.

Threat to indigenous basmati from hybrid variety

The approval of 11 new and imported rice seed varieties seven hybrids and four open-pollinated by the Pakistan Agriculture Research Council last week uncovered new realities for the crop. The high-yielding imported hybrids are in, and basmati a premium local variety seems to be on its way out. Once hybrids take hold of the local crop, even those open-pollinated (OP) varieties would have no chance. Thus it would be hybrid ruling the roost.

The undermining of basmati has long been underway, both regionally and glob-

ally. Pakistan tried to resist it, both commercially and legally. However, now it seems to be losing on both ends, and resigning to market forces.

Pakistan's current decades-old basmati seed started losing hugely on production but also became susceptible to different kinds of diseases. These developments added hugely to the cost of production, and took the rice out of fiscal reach of consumers and exporters.

As exporters experienced high domestic prices, they lost edge to the Indian competitors. The slide in export, which began a few years ago, is still on: from 1.2 million tonnes, they have come down to 700,000 tonnes.

It does not, in any way, mean that basmati would flew out of vogue; it

would continue having presence in substantial domestic and relatively small international market niche. However, its pre-eminence as only premium variety would increasingly be lost.

Apart from approving new varieties, the policy makers also need to sit together and decide what they plan to do with the overall crop.

Rs. 8.8 bn agriculture project implementation in Sindh

The Sindh government with collaboration of the World Bank planning to modernise the agriculture sector, improve its productivity and access to market with estimated investment of Rs 8,867.463 million. This statement was given by Chief Minister Syed Qaim Ali Shah while presiding over a meeting held at CM House on Tuesday to expedite the implementation of the project which was recently launched with the 86% Financial assistance of the World Bank.



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The chief minister said that another project of the Sindh Irrigated Agricultural Productivity Enhancement had also been prepared with estimated cost of Rs30 billion, which was likely to be launched soon to bring about a green revolution in the province.

He further said Sindh has great potential in the agriculture sector as its economy depended on the agriculture products. The agriculture and livestock were providing income and employment to 70-80 % of population of this province.

Additional chief secretary Muhammad Wasim informed the meeting participants that out of the total cost of Rs8,867.463 million project, Rs6,236.778 million was reserved for the agriculture component while there remaining amount of Rs2,630.685 million for livestock component of the agriculture department. He said only Rs1,226.225 million would be contributed by farmers / community while the rest of the amount would be provided by the World Bank as a soft loan.

Food fortification planned to overcome malnutrition

A recent inter-provincial meeting has agreed to launch food fortification for fighting malnutrition. The meeting was chaired by Minister for National Health Services (NHS) Saira Afzal Tarar and attended by Planning Secretary Hasan

Nawaz Tarar and the health secretaries of the four provinces. Director Nutrition Dr Baseer Khan Achakzai said that the nutrition indicators had deteriorated during the past 10 years. He added that around 43.7% children below five were stunted, 15.1% wasted and 31.5% underweight because of lack of nutrition, while 13.6% women of reproductive age were underweight and 2.5% severely thin. Indicators reveal that 40% of preschool children and every second pregnant woman in the country are anaemic.

Though Pakistan is an agricultural country with 61.45% population based in rural areas, food production does not match with an annual population growth rate of 1.07%. Wheat provides the most calories but 60-80% of its nutrients are lost during milling which results in vitamin-A, folic acid, iodine and zinc deficiencies, particularly among women and children.

It was observed that only Rs. 5 were required to add various minerals and vitamins to 20kg of flour. Iodine deficiency affects the IQ level among 17% children, thus making them unproductive. Ms Tarar stressed on scaling up fortification initiatives to protect future generations from the deficiency of vitamins and minerals.

Referring to indicators reported by the National Nutrition Survey-2011, she suggested: "Undernutrition, including micronutrient malnutrition, is one of the main causes of impaired physical and



mental development among infants and children. Those who survive have less learning capacity that reduces their productivity in adulthood." Country Director Lola Castro of the World Food Programme said food fortification was the only solution to micronutrient malnutrition.

Provinces were asked to send recommendations to the NHS within seven days for formulating a national action plan on food fortification.

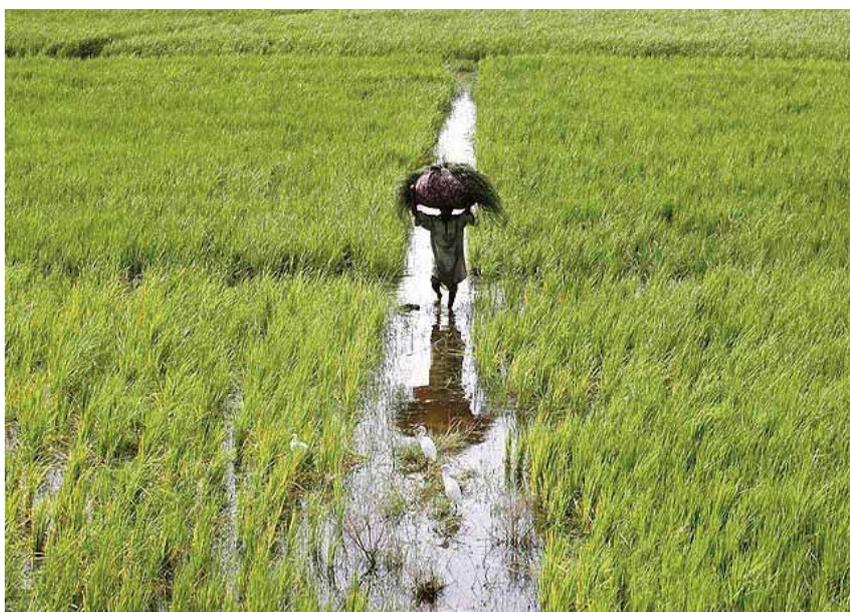
PM launches Credit Guarantee Scheme for farmers

Prime Minister (PM) Muhammad Nawaz Sharif has recently launched Credit Guarantee Scheme for small farmers at a ceremony.

The PM said the scheme is aimed at ensuring trickle-down effect of progress and prosperity. The premier added there is a complete road map for agriculture sector in the election manifesto of PML (N), which envisages giving it status of an industry and affording benefits of the modern technology to the small farmers. The Prime Minister further added that small farmers are currently backward and it is responsibility and priority of the Government to improve their lot.

Improved marketing of mango exports

Mango exporters are ready to start foreign sales with hope of earnings this



season exceeding the records of last year. While the importing countries are in no mood to compromise on quality, well-established exporters are eager to match the buyer's' expectations.

Pakistan has set this season's mango export target at 120,000 tonnes, higher from last year's less than 91,000 tonnes. The leading exporters are positive about meeting this target despite the recent ban on the use of wooden crates in export shipments. Demands are expected from the UAE, Saudi Arabia, UK and China and are confident to do well even in Europe where competition this year is stiffer after lifting of a ban on imports of Indian mangoes.

With the trend of online marketing catching up and with better grading and packaging services now available with leading fruit export houses, market sources say, earnings from mango exports this year should touch \$75m, up from about \$60m last year.

Small exporters from across the country are still sending mangoes in wooden crates to leading exporters in Karachi, where these are being repacked in fiber cardboard boxes.

Chairman of Mango Growers Cooperative Society Zahid Hussain says the inter-city transportation of mangoes in wooden crates carries the risk of affecting the quality of fruits and should also be banned.



Leading mango exporters say exports had reached close to 91,000 tonnes last year, against the five-year average of 85,000 tonnes partly because the fruit quality had been preserved and grading improved after coming on line of more than a dozen hot water treatment plants in Punjab and Sindh.

The mango producing districts where these plants set up with the USAID assistance, helped boost exportable surplus included Multan, Khanewal, Lodhran, Nawabshah, Hyderabad and Kotri.

Officials of Pakistan Fruit and Vegetable Exporters Association say a recent visit of a four-member Chinese delegation to Punjab Board of Investment and Trade has raised hopes of higher mango shipments to that country.

A Chinese company engaged in mango imports from India and Philippines is going to start imports of Pakistani mangoes right from this season.

Mango exports to EU likely from this week

Pakistan's mango exports to the European Union (EU) markets are expected to start soon after the Directorate of Plant Protection (DPP) 'temporarily' waived the requirement of getting the MRL (maximum residue level) tests of the (exporting) orchards done prior to shipment of their consignments.

"We have informed the exporters that they can start shipping their consignments to the EU countries without the MRL tests," DPP Director General Mubarak Ahmed told Dawn by phone on Tuesday.

But he clarified that only those consignments would be allowed to be shipped that have been procured from the registered orchards. The DPP has so far registered 40-50 orchards in Sindh, where the harvest starts in May.

If any orchard fails to clear the MRL test, the DPP DG said, it would be immediately stopped from exporting because the breach of the food safety standards of importing countries could jeopardise the entire mango exports from Pakistan.

Syed Hasnain Azhar Ashi, President of the All Importers Association in Norway, advised the Pakistani authorities to ensure that all snags in the way of mango exports to the EU were removed without further loss of time. ♦

