

Pakistan Agriculture: Importance and problems

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Agriculture sector is a vital component of Pakistan's economy as it provides the raw materials to down the line industries and helps in poverty alleviation. This sector contributed 19.8% in GDP and it remains by far the largest employer absorbing 42.3% of the country's total labour force. The agriculture sector growth is contingent on favorable weather conditions.

The emerging challenges of national food security and climate change have shifted the policy focus globally towards the development of agriculture sector during past few years.

There is a strong relationship between agriculture and climate temperature, precipitation, floods and other aspects of

weather that finally affect economic performance including agriculture production, commodity prices and finally economic growth. At the time of independence Pakistan was primarily agriculture based country. But as time progressed Pakistan turned into more diversified country as industrialization took hold.

Agriculture has a great contribution towards the GDP of Pakistan. Economic development takes place when the GDP of a country increases. At the time of independence agriculture had the largest contribution towards the GDP of Pakistan. But with the passage of time service sector became the largest contributor of GDP and now agriculture has the

third largest share in the GDP of Pakistan.

Livestock and fisheries are an important source of employment as well as they also consists of the exports of the country and help in increasing the GDP of the country. Livestock accounts for 40% of the agricultural sector and 9% of the total GDP. Pakistan ranks fifth in the Muslim World and twentieth worldwide in farm output. It is the world's fifth largest milk producer. This implies that agriculture is the back bone of Pakistan's economy and has integral role in the economic development of the country.

On the other hand agriculture industry is the major source of employment in Pakistan. As more than half of the population of Pakistan lives in rural areas.

Production of Important Crops

(000 Tonnes)

Fiscal Year	Wheat	Rice	Sugar Crops	Repeseed and Mustard	Sesamum	Cotton	Tobacco
2006-07	23,295	5,438	52,742	212	30.0	12,856	103
2007-08	20,959	5,563	63,920	176	32.8	11,655	108
2008-09	24,033	6,952	50,045	188	41.0	11,819	105
2009-10	23,311	6,883	49,373	151	33.4	12,914	119
2010-11	25,214	4,823	55,309	188	31.0	11,460	103
2011-12	23,473	6,160	58,397	164	30.2	13,595	98
2012-13	24,211	5,536	63,750	205	29.2	13,031	108
2013-14	25,979	6,798	67,460	203	32.4	12,769	130
2014-15	25,086	7,003	62,826	196	33.1	13,960	120
2015-16 (P)	25,482	6,811	65,475	194	32.4	10,074	120

Source: i) State Bank of Pakistan Annual Report 2015-16.

ii) Pakistan Economic Survey

Exclusive on Agriculture

Sugar cane is also among one of the important crops of Pakistan. Sports goods of Pakistan are famous worldwide. They are major exports of Pakistan. Raw material for these sports goods is obtained from the skins of livestock which is also a part of agricultural activity. Livestock is also used in the manufacturing of leather, which is again one of the important exports of Pakistan. These industries have innumerable benefits to the economy of Pakistan. They provide employment to the pool of the labour, they add up to the exports of Pakistan, they bring in new technology with in the country which not only increases the quantity but also the quality of output and many more benefits. All these benefits of industrialization are largely derived from agriculture sector of Pakistan which accelerates the economic development of the country.

Agriculture had been milestone towards the advancement of the rural sector of Pakistan. It is not only the means of subsistence for the villagers but is also the biggest source of employment for them. As agriculture expanded in rural areas their development took roots-roads started to develop and rail tracks were laid down in rural areas to make transportation agricultural products efficient to the domestic and foreign market and to the industries. Also electricity became available. Also as agriculture provided income to the rural people their expenditure on education and health increased. According to the report, the growth origi-

Yield Per Hectare of Major Agricultural Crops (Kg / Hectare)						
Fiscal Year	Wheat	Rice	Sugar Crops	Maize	Gram	Cotton
2006-07	2,716	2,107	53,199	3,036	797	711
2007-08	2,451	2,212	51,507	3,427	429	649
2008-09	2,657	2,346	48,634	3,415	685	713
2009-10	2,553	2,387	52,357	3,487	527	707
2010-11	2,833	2,039	55,981	3,806	471	725
2011-12	2,714	2,396	55,196	3,991	282	815
2012-13	2,796	2,398	56,466	3,981	757	769
2013-14	2,824	2,437	57,511	4,233	420	774
2014-15	2,726	2,422	55,062	4,323	402	802
2015-16 (P)	2,752	2,479	57,840	4,301	330	587

Source: i) State Bank of Pakistan Annual Report 2015-16.
ii) Pakistan Economic Survey

nating in agriculture is four times more effective in reducing poverty than the growth coming from non-agriculture sectors. The growth originating in agriculture is four times more effective in reducing poverty than the growth coming from non-agriculture sectors. It further says that in the emerging countries, the agricultural agenda should focus on reducing the disparity between rural and urban incomes and raising the incomes of the rural poor. Thus agriculture helps in reducing the income inequality between rural and urban areas of Pakistan. All this lead towards higher standard of living of the villagers, signifying the growth of the rural as well as that of the whole country.

Agriculture has also contributed largely in the development of banking

sector. As the governments realized the immense importance of agriculture for the economy of Pakistan, they continually strived to bring in more financial assistance to the farmers for rapid development in the agricultural sector resulting into expanding banking sector. Commercial banks opened up their branches in the rural sector to assist farmers by providing them with loans on feasible terms. Increased significance of agriculture for the economy had led towards specialization in the banking sector e.g. the creation of Agriculture Development Bank of Pakistan (ADBP) which is now converted to Zarai Taraqati Bank Limited (ZTBL).

ZTBL is being established with the aim to uplift the agriculture and rural sector

Area Irrigated by Different Sources (Million Hectares)							
Fiscal Year	Canals	Wells	Canal Wells	Tube Wells	Canal Tube wells	Others	Total
2006-07	6.78	0.67	0.22	3.89	7.78	0.25	19.59
2007-08	6.91	0.31	0.17	3.83	7.79	0.28	19.29
2008-09	6.81	0.31	0.20	3.82	7.94	0.24	19.39
2009-10	6.78	0.31	0.26	3.88	7.07	0.28	20.06
2010-11	6.39	0.36	0.25	3.92	7.60	0.72	19.24
2011-12	6.30	0.35	0.19	4.03	7.86	0.72	19.45
2012-13	5.6	0.30	0.19	3.81	7.86	0.19	18.00
2013-14	5.96	0.38	0.27	3.71	8.15	0.17	18.64
2014-15	5.96	0.38	0.27	3.71	8.15	0.17	18.64
2015-16 (P)	--	--	--	--	--	--	--

Source: i) Pakistan Bureau of Statistics
ii) Ministry of National Food Security & Research

by raising farm productivity, streamlining the institutional credit and increasing income generating capacity of the farming community. This specialization in banking sector assists the development of agriculture sector of Pakistan. Network of commercial banks indicate the development of any country. They strengthen the financial system of a country and makes flow of funds convenient in an economy by taking money from those who have money in excess (depositors) and providing money (loans) to those who have a shortage of money (borrowers). When banking system operates efficiently on a large scale potential entrepreneurs can avail money easily for starting up their business, thus accelerating the economic development. Banking system is considered to be the back bone for the economy of Pakistan the largest share in GDP.

Infrastructure is a fuel to economic development. Well-developed infrastructure assures quick transportation of goods and services (which may include raw material or finished goods) and provides facilities like electricity etc. for smooth production process. As agriculture developed in Pakistan and as it starts providing raw material to some industries and as the demand of agricultural products soared in the domestic market, the development of infrastructure in those areas took hold. In order to make distribution system more efficient and to facilitate the high production of agricultural products infrastructure started to develop more



rapidly. Like the province of Punjab is the most populated province of Pakistan and agriculture is its biggest source of employment. It is also one of the most industrialized provinces. Faisalabad, a city of Punjab, is the hub of textile industry of Pakistan. Because of large scale practice of agriculture in Punjab, it is one of the most developed provinces in terms of infrastructure. As agriculture expands it brings with it infrastructural development

which helps in the economic prosperity of the country. The most developed areas of Pakistan are those that have a sound infrastructure. By initiating infrastructure development agriculture had played a major role in the economic development of Pakistan. In these manifold ways agriculture had contributed in the economic development of Pakistan. In order to further increase the development of the economy the government should intro-

Credit Disbursed by Agencies

(Rs in Million)

Fiscal Year	ZTBI	Domestic Private Banks	PPCBL	Commercial Banks	MFBS	Islamic Banks*	Total
2006-07	56,473	23,976	7,988	80,393	--	--	168,830
2007-08	66,939	43,941	5,931	94,749	--	--	211,561
2008-09	75,139	41,626	5,579	110,666	--	--	233,010
2009-10	79,012	43,777	5,722	119,609	--	--	248,120
2010-11	65,361	50,187	7,162	140,312	--	--	263,022
2011-12	66,068	60,876	8,520	146,271	12,115	--	293,850
2012-13	67,068	69,271	8,304	172,833	18,770	--	336,247
2013-14	77,920	84,813	8,809	195,488	22,796	1,527	391,353
2014-15	95,827	108,708	10,486	262,912	32,951	4,991	515,875
2015-16 (P)	55,300	84,837	6,102	198,811	34,487	5,999	385,537

Source: i) Pakistan Bureau of Statistics
ii) Pakistan Economic Survey 2015-16

duce policies which increase the efficiency of agriculture. E.g. government should introduce modern means of production through the initiation of technology in the agriculture sector. The government should also revise land reforms as small lands are not productive as the large ones and should also increase the ownership of land to farmers and must take steps to eliminate feudalism. Effective measures for agriculture will definitely add up to the development of the weak economy of Pakistan.

In order to sustain such a massive population agriculture is playing a key role. Agriculture is providing food to this ever increasing population. Major exports of Pakistan consist of agriculture items like wheat, rice, cotton. According to FAO Pakistan exports rice, cotton, fish, fruits, and vegetables. In 2015-16 the major share of Pakistan exports went to 9 countries, account for 35% of total exports. 62.6% of Pakistan's total exports are Agriculture commodities and textiles products, 33% of which are raw or low value added products.

Problems

Agriculture is not only provides food for our growing population but is a source of raw materials for our principal industries as well as a source of foreign exchange. Following are the causes of our backwardness in agriculture:

1. The farmers of our country are mostly un-educated and lack technical knowledge are unable to understand the modern scientific methods of agri-

culture and often remain ignorant of good means to protect and increase their yield.

2. The majority of our farmers are poor and they often live in hand to mouth position. Most of them are always under heavy burdens of debts. So due to lack of capital they cannot afford to purchase modern scientific implements, chemical manures, improved types of seeds etc. Hence they cannot attain the required standards.
3. Most of our farmers are still stuck to the old traditions of their fore fathers. The circumstances have compelled them to use the crude implements, because due to small holdings of land and poverty they are unable to acquire and use modern scientific methods.
4. Due to excessive use of canal water, most of our cultivated lands have become victims of these two dangerous diseases. Every year salinity alone damage large acres of arable land into marches and salt lands. Water logging is no less injurious. On the other hand the measures taken so far are quite inadequate for such issues.
5. Our farmers have to face many problems due to scarcity of water which is one of our major problems. Large tracts of land estimated to be about 22 million acres is lying uncultivated due to shortage of water. Rainfall is uncertain and the existing irrigational facilities in our country are quite insufficient and need to be extended.
6. The land tenure system of Pakistan creates a chain of intermediaries in between the state and the tenants. The system, instead of being conducive to agricultural development, stands in the way of its progress.
7. In some areas of our country, especially in hilly regions, the upper fertile soil is being eroded by different natural

agents of change. Thus the fertility is poor and soils are becoming less productive.

8. The marketing facilities for agricultural products in Pakistan are still far from satisfactory level. Our cultivators cannot get just prices for their produce due to defective marketing organization. Moreover the chain of middlemen between the producers and ultimate consumers take a heavy share of their produce. Thus the cultivators do not take much real interest in increasing their product too.
9. Due to lack of agricultural education and methods of modern research, our farmers cannot control various diseases of crops and attacks of pests and insects. The result is low yields.
10. The resources required for agricultural operation are land, layout, livestock, farm equipment, seeds, fertilizers, irrigation, transport etc. For the convenient and timely procurement of these resources the farmers must have easy access to credit. Zarai Taraqati and commercial banks provide loans to the farmers which are insufficient because our farmers are very poor.

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