

Review of Food Crops 2017-18

Pakistan's agriculture sector plays a central role in the economy as it contributes 18.9% to GDP and absorbs 42.3% of labour force. It is also an important source of foreign exchange earnings and stimulates growth in other sectors. The government is focusing on supporting small and marginalized farmers and promote small scale innovative technologies to promote growth in this sector. According to the 6th Population and Housing Census of Pakistan 2017, the country's population is growing at the rate of 2.4% per annum. This rapid increase in population is raising demand for agricultural products. The present government is focused on developing this sector and in this connection initiated a number of measures such as crop diversification, efficient use of water and promotion of high value crops including biotechnology, reducing mark-up rates, agriculture credit enhancement, subsidized fertilizer prices and cheap electricity for agritube wells. As a result, this sector's performance increased manifold after witnessing a moderate and subdued growth in last 13 years.

Food Crops 2017-18

During 2017-18, agriculture sector recorded a remarkable growth of 3.81% and surpassed its targeted growth of 3.5% and last year's growth of 2.07%. This stemmed from

Table 1: Rice Production

Year	Area (000 Hectares)	Production (000 Tonnes)	Yield (Kgs / Hec)
2013-14	2,789	6,798	2,437
2014-15	2,891	7,003	2,422
2015-16	2,739	6,801	2,483
2016-17	2,724	6,849	2,514
2017-18	3,899	7,442	2,567

Source: Pakistan Economic Survey 2017-18

higher yields, attractive output prices and supportive government policies, better availability of certified seeds, pesticides, agriculture credit and intensive fertilizers offtake. The crops sector performed well and witnessed a growth rate of 3.83% against the last year's growth of 0.91%. The growth in sub sectors, important crops, other crops and cotton ginning registered a significant growth of 3.57%, 3.33% and 8.72%, respectively, against last year's growth of 2.18%, -2.66% and 5.58% respectively. Major Kharif crops such as sugarcane and rice surpassed their production targets during 2017-18 by recording growth of 7.45% and 8.65%,

respectively, while cotton crop production managed to exceed last year's production level by recording growth of 11.85%. Wheat and maize crop production remained subdued, as it witnessed decline of 4.43% and 7.04%, respectively. Other crops having share of 10.80% in agriculture value addition and 2.04% in GDP, grew by 3.33% on the back of increase in the production of fodder, vegetables and fruits.

Pakistan has two cropping seasons, "Kharif" being the first sowing season starting from April-June and is harvested during October-December. Rice, sugarcane, cotton, maize, moong, mash, bajra and jowar are "Kharif" crops. "Rabi", the second sowing season, begins in October-December and is harvested in April-May. Wheat, gram, lentil (masoor), tobacco, rapeseed, barley and mustard are "Rabi" crops. Pakistan's agricultural productivity is

Table 2: Production of Wheat

Year	Area (000 Hectares)	Production (000 Tonnes)	Yield (Kgs / Hec)
2013-14	9,199	25,979	2,824
2014-15	9,204	25,086	2,726
2015-16	9,224	25,633	2,779
2016-17	8,972	26,674	2,973
2017-18	8,734	25,492	2,919

Source: Pakistan Economic Survey 2017-18



dependent upon the timely availability of water.

Rice: In Pakistan, rice is an important food as well as cash crop. After wheat, it is the second main staple food crop and second major exportable commodity after cotton. During 2017 cultivated under rice crop has increased to 2,899 thousand hectares compared to 2,724 thousand hectares of the corresponding period of last year. The production of rice reached historically high level of 7 thousand tonnes against the production of 6 thousand tonnes and recorded over production of last year. Rice accounts for 3.1% in the value added in agriculture and 0.6% of GDP. increased due to higher domestic prices and availability of inputs on subsidise advisory along with increase in export, which made rice cultivation attractive for growers. The area, production and yield of rice five years are shown in **Table 1**.

Wheat: During 2017-18, wheat crop was cultivated on an area of 8,734 thousand hectares showing a decrease of 2.6% compared to 8 thousand hectares during the corresponding period last year. Wheat production stood at 25.492 million tonnes during 2017 recording a decline of 4.4% over the production of 26.674 million tonnes last year. Wheat accounts for

9.1 value added in agriculture. The short-fall in production is attributed to decline in area sown, delayed and prolonged sugarcane crushing season, acute water shortages and fog and smog in the country. The area, production and yield of wheat five years are shown in **Table 2**.

Agricultural credit In the backdrop of the government's budgetary initiatives for promotion of agriculture sector, SBP has assigned the indicative agriculture credit disbursement targets of Rs 1,001 billion to 52 participating institutions including 19 Commercial banks, 2 Specialized Banks, 5 Islamic Banks and 11 Microfinance banks and 15 Microfinance Institutions/Rural Support Programmes (MFIs/RSPs). This indicative agriculture target is 43% higher than the last year's

target of Rs 700 billion and 42% higher than the actual disbursement of Rs 704.5 billion in 2016-17. Out of the total target, Rs 516 billion have been assigned to five major commercial banks, Rs 125 billion to ZTBL, Rs 200 billion to 14 Domestic Private banks, Rs 15 billion to Punjab Provincial Cooperative Bank Limited (PPBCL), Rs 100 billion to 11 Microfinance banks, Rs 20 billion to five Islamic banks and Rs 25 billion to 15 MFIs/RSPs for FY 2017-18.

Agriculture credit disbursement increased by 39.4% to Rs 570 billion (57% of annual target) during FY 2018 (July-February) compared to same period last year, which shows commitment of the government to support agriculture sector. This amount has 39.4% higher than the

