

Punjab Agriculture Department approves 10,000 biogas plants

The Punjab Agriculture Department has moved a summary to the provincial government to approve a project of 10,000 biogas technology plants to mitigate the energy crisis following the successful installation of 1,476 plants in the 36 districts of the province.



The department has also completed a pilot project of installing biogas supplemented tube wells for irrigation in 11 districts, urging the government to further allow such installations to pass on the benefit to the farmers who are bearing high cost of diesel, fuel, fertilizers and pesticides in agriculture.

Each plant with 15 cubic meter size is producing cooking needs of 10 members of a family and if utilized for power, could generate electricity up to two hours. According to department estimates, each user could save up to 2,000-litre kerosene in a year while 1,476 plants could save up to 2.95m litre kerosene annually.

The farmers, who are using the technology, are saving approximately Rs190 an hour. The government is giving 73% subsidy against installation of 40 cubic meter tube wells and 85% against 25 cubic meter tube wells.

According to the department, estimates 50 tube wells with 1,600-hour run annually can save 144,000 litres of diesel worth Rs15.8 Million.

Riverine area crops submerged due floods

Recent floods have destroyed the entire Riverine area on both sides of River

Indus submerging crops of sugar-cane, cotton, vegetables and even orchards. It is important to note that some landowners have obtained lands on lease from the forest department to grow orchards of banana. They adopt modernized farming methods for productivity enhancement and get water not only from the riverbed by raising private embankments around their land in riverine. This riverine area located in districts where the River Indus passes include Kashmir, Qambar-Shahdakkot, Ghotki, Sukkur, Shikarpur, Khairpur, Naushahro Feroze, Dadu, Thatta and Tando Mohammad Khan.

However agricultural officers, strongly believe against cultivating the entire riverine area with crops, since it is best suited for growing forests, which will support environment. Forests absorb pressure of super floods as a natural barrier to avoid spill over and overtopping of bunds.

According to newly elected President of SAB Abdul Majeed Nizamani, it is not advisable to have settlements in riverine area. They block river flows, as was the case with earlier floods. In addition, landholders build private bunds to confine riverbeds to certain length so that river water should bring water to their agriculture lands. As a result, the river water builds pressure on main embankments.

The Sindh government, with funding from the Asian Development Bank, has spent Rs18 billion on approximately 70 main river dykes schemes, identified as most vulnerable bunds. Due to heavy monsoon rains in 2011 causing substantial losses to farming community and irrigation network, the government had categorically talked about removing all kinds of encroachments from old routes of natural waterways.

Efficiency in irrigation water use

The productivity of water in Pakistan is among the lowest in the world. For wheat, for example, it is 0.5 kg/m³ as compared to 1.0 kg/m³ in India and 1.5 kg/m³ in California.



The comparison of yields and water use efficiency shows that Pakistan is 12% less efficient from India in using water for wheat crop. The nitrogen fertiliser used in India for wheat and rice crops is almost double of the use in Pakistan. Thus the major concerns regarding performance of irrigated agriculture are low crop yields, water losses and low water use efficiencies.

The average yields have gone down for wheat and rice, being 2276 kg/ha and 1756 kg/ha, respectively. In addition to water shortage, lack of inputs, poor irrigation practices and soil salinisation are the major factors for low crop yields. Low water use efficiencies have led to reduction in crop yields (an overall reduction of 25 % and a high of 40-60 % in Sindh) and lower overall agricultural productivity.

According to estimates, to meet the food requirements of the country, cultivated area of wheat need to increase by 46%. However, given the present situation of water availability, the only way to achieve this food target is to increase productivity of water use.

Non-farm bank credit

Banks lending to the agricultural sector especially for the non-farm sub-sectors like livestock, fisheries, horticulture and forestry got a real boost in the last fiscal year.

Overall lending to agricultural sector soared to Rs 336 billion, up more than 14% from what it was a year ago. In first nine months of the year, for which data is available, lending to non-farm sector was no less than 100 billion rupees.

In FY08 loans to farming sector totaled Rs160 billion against a meager Rs52 billion to the non-farm sector comprising live-stock, fisheries and horticulture.

Dried mango available round the year

Dried mango is being prepared at the Lutafabad mango farm for the first time in the region. These mangos are dehydrated in a drier and then processed in slices and cubes. 288kg dried mango have been produced from 1,000kg mangoes.



Mango Growers Association President Maj Tariq (retired) stated that these dried mangoes would also provide handsome earnings to local women for removing its skin and cutting it into pieces.

Food subsidy introduced to workers in Punjab

The Punjab Government is devising a strategy to provide targeted subsidy for the provision of (wheat flour) and roti.

The joint ventures with industrialists are explored to provide subsidized flour to workers of industrial units. He stated that the provincial government had also started releasing wheat to flour millers at controlled rates of Rs1330 per 40 kg to keep its price at retail level stable.

Also a food policy is being devised so that the subsidy amounting to PKR18 billion could trickle down to consumers and ensure quality of wheat products. Directions have been given to Federal Seed Certification and Registration Department to accelerate seed quality monitoring and ensure the availability of quality seeds in market.

Proposed measures to improve seed quality

According to Mr. Hayat Bosan the federal minister for National Food Security and Research, seed certification department should check this problem as poor quality seed was affecting farm yields.

With the upgradation of the seed-testing laboratory, the accreditation of the laboratory will be able to raise its standard and as a result seed testing reports or results would be acceptable at international level.

Mr Bosan also announced that the private seed sector will be facilitated to ensure seed business through production of basic seed of various crops after the passage of Seed Act Amendment Bill 2010.

The Seed Association of Pakistan will also offer tangible proposals for further development of seed sector.

Urea shortage despite imports

The farmer are reporting a shortage of urea despite its frequent imports. This has affected the output of various crops in the Kharif season. The entire fertiliser sector produced 4.1 million tonnes in 2012 against an installed capacity of 6.9 million tonnes. The industry's installed capacity was underutilized.

The performance of fertiliser industry was disappointing during 2012 mainly because of the worst-ever gas crisis. A steep fall in the production was, however, also because of weak performance of



SNGPL-based fertiliser plants. These plants produced only 11.6% of their production capacity. Their production stood at 256,500 tonnes of urea in 2012, the lowest-ever output, against their total production capacity of over 2.2 million tonnes.

In Sind, the urea shortage is at its peak these days, because this year, the government was late in importing the commodity and as a result various crops have been affected in the last four months.

The annual fertiliser demand in Pakistan is stated to be about 8.2 million tonnes in which the share of urea is approximately 5.7 million tonnes while Diammonium phosphate (DAP) demand is around 1.3 million tonnes.

The federal government has, meanwhile, decided to pay PKR 2.5 billion subsidy on the import of 300,000 tonnes of urea to help farmers because despite a major decline in urea prices in the world market, the subsidy is needed to reduce its prices to match the local market.

If gas load-shedding does not come down this year, the SNGPL-based fertiliser plants would be in deep trouble. The threat of a decline in urea production poses to crop yields needs to be taken seriously.

Staple food getting costlier

Due to seasonal as well as rains and floods, wheat flour and rice have become costlier in August.

Prices of Basmati and non-Basmati rice

Prices of Basmati and non-Basmati rice varieties are on the rise as carryover stocks are exhausting before the beginning of the new cropping season and fresh arrivals will delay due to flood damages. According to commodity dealers, aggressive buying by makers of branded rice has also pushed up the prices.

Rice dealers believe that prices of Basmati varieties increased due to dwindling stocks and heavy buying by brand producers, coarse rice has become costlier due to a jump in exports. In July, 232,000 tonnes of non-Basmati rice was exported against 199,000 tonnes in June.

Wheat prices

Wheat prices are also up as food departments in Sindh and Punjab are yet to begin subsidizing sales of officially procured wheat to flour millers and as local demand is set to rise before winters.

Pakistan Flour Mills Association and officials of Sindh Food Department would meet shortly to decide the new rate of subsidized wheat before the commencement of its supplies later this month or from early October.

Sugar stocks

The government has delayed for a month its earlier decision of allowing export of 0.5 million tonnes of sugar. The government is borrowing time to see how the floods would affect the next sugarcane crop.

Sugar millers have warned of delaying cane crushing if export is not re-allowed on time and if Trading Corporation of Pakistan (TCP) does not buy from them a total of 0.4 million tonnes of the sweetener. However, according to officials, sugar stocks in the country at 2.1 million tonnes are enough to meet demand until December.

Smallholder farming can solve food crisis in Pakistan

Around, 870 million people in the world are hungry. In Pakistan alone, an estimated 17 million people are food-insecure.

Around 3.8 million farms in Pakistan are considered small family farms, with landholdings measuring less than 2 hectares. Although these farms are small, their potential to improve yields and environmental sustainability of agricultural production is big.

Smallholder farmers typically have intimate knowledge of their landscapes and local climates, and with adequate support and resources could help to transform the food system using more sustainable methods that can also boost productivity.

Supporting the success of family farms and increasing the incomes of family farmers will significantly raise the overall standard of living.

Research from Oxfam shows that investing in small farmers also creates a 'multiplier' effect that extends beyond the farming sector farmers spend a big share of their income in other sectors, including construction, infrastructure, and manufacturing.

Initiatives underway that are supporting small Pakistani farmers. The International Fund of Agricultural Development operation, Southern Punjab Poverty Alleviation Project, is working to benefit an estimated 8.6 million rural residents of several districts.

The project assists informal laborers without landholdings, smallholder farmers, and woman-headed households in increasing their incomes by supporting agricultural productivity and production, and by increasing the overall employment potential of this targeted population.

JICA Project for Sindh livestock

The Japan International Cooperation Agency (JICA) will help Sindh to revive its livestock potential under a five-year project on sustainable livestock development in rural areas of Sindh. The plan of action will cover the period until 2020 based on the scrutiny carried out from 2011 to 2012.

This project aims to increase the production of milk and meat through the improvement of production capacity per animal, the increase in animals per household, and improved marketing of these products.

The project will also lead to an increase in income and assets of livestock farmers in the targeted districts, particularly small farmers including tenant and non-farm households, who occupy 80% of the total households in rural Sindh.



The most important objective of the project is to promote agricultural growth with high employment elasticity, reduced inter-regional as well as intra-regional disparities and to decrease poverty.

Organic food market will see growth

The local growers are confident that the organic food market will grow in future. Though currently limited to few consumers as most of the buyers of purely organic food are foreigners living in Islamabad. This idea, however, seems to be gaining popularity as improvements in sales have been witnessed over the last few months.

The main issue in growing food through natural process without the usage of pesticides, insecticides and other production boosters that increases the cost of produce.

Compared to the farm chicken eggs available at Rs 98 per dozen in the markets the price of one dozen backyard (desi) chicken eggs is Rs 240 and green chillies Rs 200 per kg. Many consumers understand the importance of food grown in the natural way, prefer these products it because of the improved taste and nutrition value. According to Brig (retired) Ayaz said, we produce around 1,000 litres of milk daily and despite slightly higher price the demand is rising that shows an increase in the level of understanding and awareness regarding a healthy organic food.

Organic foods for its health benefits

Another example is a organic food marketing by a local hotel in Pataykha, the small scenic town, that serves as a gateway to the 200-kilometre-long Neelum Valley, indicates the trend towards organic food in Azad Jammu and Kashmir.

According to the owner Mr. Awan the food served is from those farms where no pesticides, no chemical fertilizers of any kind are used. Awan believes that rising ailments amongst the masses can be curbed by the provision of 'purer' food. This is why he is striving today to revive the 'dying culture' of organic eating across Azad Kashmir.

Besides the health benefits, visitors and tourists are drawn to the organic for the flavour, as well. Awan is determined to stick to Kashmiri basics. His menu is typical of the area: maize bread (makai roti), leafy vegetables (saag), local chicken (desimurgi), curd, fresh white butter, and fresh lettuce cultivated in the nearby kitchen garden. The prepared food is then served in clay pots which are in use in the kitchens of in remote villages of Kashmir.

Water security issues highlighted on World Water Day 2012

An International Seminar on World Water Day 2013 was organised by Pakistan Agriculture Research Council (Parc) to create awareness about water management challenges.

According to Federal Secretary Ministry of National Food Security and Research (MNFSR) Ahmed Buksh, "about two thirds of water resources are lost in transmission and seepage. This means that about 68 million acre feet of water can be brought in use if the canal system is adequately repaired and maintained." He stressed upon the need for addressing the issue of water resource management at local, national, regional as well as international levels.

Olive plantation in barren lands of Pakistan

Pakistan has brought 1,300 acres of marginal land under olive cultivation within a year. And in the next three years, the country will cover another 3,750 acres. The main purpose is to promote and diversify the production of the edible



oil industry. This will facilitate in expanding the industrial base for saving foreign exchange.

The edible oil industry is doing well, with 11% increase in output in the last fiscal year, making this project a favourable action.

With the support of the Italian government, the Pakistan Agricultural Research Council (PARC) has been instrumental in promoting olive plantation. Their officials are coordinating with the provincial agricultural departments and Suparco for using more marginal or barren land for olive cultivation.

Once olive plantations mature in a few years time, edible oil companies will be able to produce olive oil not just for the local market as well as for high-value exports.

Italy's Overseas Agronomic Institute is all set to use the Geographic Information System to upload data of olive orchards on the internet, and specifying the number and age of the plants and their varieties. This will motivate the local private sector to invest in olive plantation, as well as attract foreign investment and expertise.

Crops & orchards in Swat face crisis

Swat, the fruit and vegetable basket of the country, famous for its fresh and dry fruits and off-season/seasonal vegetables faces a crisis due to a hailstorm. The valley of Swat is also famous for high quality potato, turnip, cabbages, cauliflower, and salad plants, etc.

The recently hailstorm has destroyed maize crop, off-season vegetables and orchards on thousands of acres in tehsil Khwazakhela, Madyan and Matta.

The financial impact of hailstorm, according to farmers in Miandam, is around Rs. 800 million. According to agricultural officer of Khwazakhela Adalat Khan, preliminary damage assessment puts the loss at around Rs 720 million.

The storm has destroyed maize crop, vegetables, peas, French beans and orchards of pears, red and black persimmon on hundreds of acres in union council Miandam.



According to initial investigations, 50-80% of Peas crop, 40-60% of French beans and 40% of special maize crop (used in popcorns) have been ruined. Black and red persimmon, pears and strawberry runners/seedlings, sold to strawberry farmers to grow the fruit in down country farms, were also hit severely. Loss of peas, French beans and strawberry alone accounts for around Rs 250 million.

Around 30% of apple, 40% of red persimmon and 45% of black one, 45% of rice crop, 40% of maize, 30% of peas, 40% of French beans, 25% of tomato and 58% strawberry seedlings have been destroyed by the storm.

PTA between Pakistan and Indonesia

The Preferential Trade Agreement (PTA) between Pakistan and Indonesia effective from September 1, 2013 stipulates that, Indonesia will offer market access to Pakistan for 216 products at favourable rates, including fresh fruits, cotton yarn, cotton fabrics, ready-made garments, sports items and leather goods.

Pakistan's PTA offer Indonesia a total of 287 tariff lines at preferential tariffs, and it also agrees to give the same treatment to Indonesian palm oil products.

In addition, Indonesia will cancel its tariffs on imports from Pakistan of the regionally-important citrus fruit, kinnow, creating a level-playing field in the Indonesian market for this product. It is hoped that this PTA will help total trade between the two countries to reach \$2 billion till 2014.

Impact of high petroleum prices on imported foods

The imported food items may face at least 5 to 15% impact due to rise in petroleum prices. Another factor that adds to the prices of various products is the devaluation of the currency. Over the past three months, oil prices have already been revised upward thrice.

According to commodity dealers the impact of devaluation and rising transportation cost in some items has already been passed onto consumers.

Diesel is now available at Rs 116.95 per litre as compared to its current price of Rs105.7 per litre. Overall petroleum products prices were raised by 10-15% from June onwards.

One dollar was available at Rs 98 on June 6 as compared to current rate of Rs106 in inter-bank market

Based on demand and supply of goods and changes in the world market prices, import of various items falling under food group went down by 20% to \$653 million in July-August 2013 as compared to \$820m in the same period 2012. According to Federal Bureau of Statistics (FBS), import of pulses and milk cream/milk for infants dropped by 40 and 45% followed by 20% and 23% fall in palm oil/soya bean oil and spices.

Sugar exports after payment to growers

SBP revealed that The Ministry of Commerce and Textile Industry has allowed the export of 500,000 metric tonnes sugar on September 13 based on a number of conditions .250,000 MT are allowed to be exported with immediate effect up to October 31, 2013; and the remaining quantity of 250,000 MT from November 1, 2013 onwards.

The conditions stated that that sugar mill owners will clear the outstanding arrears of Rs1.7 billion to be paid to the growers. Also sugar mills are to begin crushing sugarcane in Sindh and Punjab from November 1 and November 15, 2013 respectively.

Quota will be allocated on first come first served basis by the SBP and export



will be made against irrevocable letter of credit or a contract with 25 % non-refundable advance payment.

In case of applications for exports against contract, shipment will be made within 45 days of the registration of contact with the State Bank, and the non-refundable advance payment will be forfeited in favour of GOP.

Mangoes shipments worth \$60 million this season

A record shipment of 165,000 tonnes of mango worth \$60 million was achieved this season as compared to 118,000 tonnes last year, valuing \$38 million.

According to Waheed Ahmed chairman All-Pakistan Fruit and Vegetable Exporters, Importer and Merchants Association, mango export got underway with limited quantities to Japan followed by trial shipment to Australia.

Earlier mango a shipment this year was rejected by UK, while big export opportunities were also lost in Japan and US. Some issues at Dubai market caused losses to exporters during June 2013. The



exporters also faced challenges in Iranian market as 30,000 tonnes was rejected causing loss of \$10 million this season. However huge demand of mango arrived during Ramazan in markets, like Saudi Arabia, Middle East, UAE, Afghanistan and Central Asia compensated and are responsible for increase in over all exports.

ADB partial credit guarantee facility to small dairy farmers

A proposal of \$35,000,000 was submitted by the government to the Asian Development Bank (ADB) for arranging a partial credit guarantee facility in support of investment loans to be made to small dairy farmers in Punjab.

As a result the dairy farmers will get access to affordable finances, to establish improved farm management practices. According to ADB, the credit guarantee facility would cover loans with a tenure of up to five years, and the first credit facility for up to \$3 million will partially guarantee a portfolio of loans to be made by a local bank to dairy farmers. ♦

