



### 'Pakistan's demand for palm oil rising 4.5% each year'

Demand for palm oil in Pakistan has been increasing at a rate of 4.5% every year for the past seven years, said Malaysian Minister for Primary Industries Teresa Kok Suh Sim.

Speaking at the Fifth Pakistan Edible Oil Conference, she said that demand for the commodity was growing in Pakistan on the back of rising population, higher incomes and increased consumer spending.

"Palm oil has the potential for even higher uptake in the Pakistani market because the country's local production of oils and fats covers only around 20% of its total consumption needs," she said. "Thus, Pakistan depends heavily on the import of the product to meet growing domestic demand." Highlighting the importance of Pakistan as an end-user of Malaysian palm oil, Sim termed the country one of the most regular and dependable buyers of the product.

The minister pointed out that Pakistan was among the first export destinations where Malaysia had major investments in

areas of bulking installations and refineries besides having liquid cargo jetty dedicated to the handling of palm oil.

Malaysian companies such as FGV Holdings Berhad, Kuala Lumpur Kepong Berhad, and IOI Group have made a significant investment in Pakistan via joint ventures with the Westbury Group since 1993. Palm oil is widely used by the industry for manufacturing vanaspati (ghee). On the other hand, it is also used by the food industry in Pakistan for frying.

### PARC introduces 200 national food brands in Pakistan

Director of Pakistan Agriculture Research Council (PARC) Dr. Muhammad Azeem Khan said the initiative of PARC is also aiming to reduce poverty in the rural areas of the country by enhancing farm income with value addition of agriculture products being produced in these areas and create maximum livelihood opportunities to overcome rapidly urbanization issues.

He further said that PARC in collaboration with the private sector embarked

upon a holistic plan for transforming conventional agriculture into value-added agriculture to reduce import of food items that consume about \$1.5 to \$2 billion of the country's foreign exchange reserves annually and was a major cause of trade deepening trade deficit.

The other objective of the initiative was to encourage a large bulge of educated and semi-skilled youth in agri-sector by providing them basic training and facilities for value addition of agriculture products to start their own business for a respectable livelihood".

He informed us that all the modalities of branding and labeling have been finalized. An ISO certified laboratory is being established at the National Agriculture Research Center in this regard which would help to produce food items of international standards and attract the consumers.

He further informed that PARC had already introduced 30 brands of local food products that included olive oil, honey, rice, wheat flour, tea, spices and yogurt that was completely nutrient-filled, hygienic and cost-effective as compared with the open market.

The fish and yogurt processing plant have been established in NARC for providing training for interested entrepreneurs to establish their own business and install own plants to produce these things and sell them in the open market. PARC had also established its four new research stations in different ecologies for promoting agriculture and livestock sectors in rural areas of the country that would start functioning by the end of this year.

Dr. Azeem told that the government was focusing on increased productivity of major crops and would spend Rs 395 billion on 13 different agriculture sector development projects that would be completed in collaboration with provincial governments. These research stations had established in Balochistan, Khyber Pakhtunkhwa, erstwhile Federally Administrated Tribal Areas and Gilgit Baltistan to provide innovative agriculture solutions and livestock farming to alleviate poverty from these areas.

### With ADB's help, Pakistan to revive agri-growth

The present government is striving to lift agricultural growth in the country but its policies reflect little understanding of the basic paradigm of agricultural development. Agriculture being a provincial subject is supposed to be handled with political wisdom and not with political naivety or political expediency.

Now, Prime Minister Imran Khan is promising once again to revitalize agricultural growth with the help of global institutions like the Asian Development Bank (ADB). He is also relying on the agricultural cooperation framework of the China-Pakistan Economic Corridor (CPEC), details of which are yet to be made public.

In December 2019, ADB's Chief for Rural Development and Food Security Dr. Akmal Siddiq met the prime minister and both discussed in detail how Pakistan's agriculture sector can be revitalized. The ADB official told PM Imran that his institution had plans to introduce corporate agriculture on a wider scale in Balochistan. He also said the ADB had approved a \$1-million grant for promot-

ing the use of information technology in Pakistan's agriculture and the project would commence in 2020.

In November, the ADB had approved a \$275-million loan for an irrigation project in Punjab aimed at boosting crop growth by 50% and benefiting 200,000 farmers of Jhelum and Khushab districts. Prior to that, in October 2019, the ADB had announced that between 2020 and 2022 it would be lending an average of \$2.4 billion a year to Pakistan, up from \$1.4 billion a year in the past.

Part of the increased financing would cover projects in the agriculture sector.

Already, the ADB-financed or co-financed projects cover crucial areas of Pakistan's agriculture like irrigation, water resources, agricultural marketing development, etc.

Towards the end of October 2019, President Arif Alvi and Chinese Ambassador to Pakistan Yao Jing inaugurated the Pak-China Agriculture Cooperation Exchange Centre in Islamabad under the Pak-China Agricultural Cooperation Forum. The forum has been created to help Pakistan benefit from Chinese experience in the agriculture sector. Chinese companies will help Pakistan find out sustainable solutions to key agricultural problems like the low yield of crops and livestock, pre- and post-harvest wastage and poor marketing.

In November, the ADB approved a \$2.5-million grant in technical assistance for the adoption of modern technology to boost the productivity of the agriculture sector in Punjab. Under this project, farmers' access to technology will be enhanced for better harvesting of crops, post-harvest management and direct marketing of the farm produce.

These are in addition to several other projects in the area of agriculture and livestock research, production of small agricultural machinery, development of disease-resistant seed varieties of various crops, etc.

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### French envoy applauds Pakistan's efforts to achieve stability

In a meeting with Ambassador of France Marc Baret, the adviser said that the government has worked very hard to pull the economy out of the critical state as it was in previous years. "The stage is now set for greater stabilization and enhanced domestic productivity that would help overcome inflation, boost businesses and create more employment opportunities," he said.

Shaikh said that the government was focusing on revitalizing the agricultural sector and several mega projects had been approved for improving irrigation management, watercourses, and construction of water storage facilities at the farm level. The government had doubled the social safety budget from Rs100 billion to Rs190 billion while it had also recently revamped its cash transfer program by replacing nearly 0.8 million people with more deserving people.

The government had also recently launched a special food package at the cost of Rs7 billion to provide essential food items at reduced rates through the utility stores to the poor segment of the population adversely affected by the food inflation, he added. On the macroeconomic front, the government had brought

down the current account deficit from \$20 billion to \$13 billion which would be further reduced to \$8 billion later this year, he assured.

“Exports which had remained stagnant for almost five years, now show an upward trend,” said Shaikh. Revenue collection had jumped by 16% and foreign direct investment had gone up by 280% in the current financial year. Similarly, Pakistan’s exchange rate had begun to stabilize due to enhanced external flows while the Pakistan Stock Exchange had been declared by Bloomberg as the best performing market in the world, he added.

Also speaking on the occasion, the ambassador commended the work done by the government in introducing institutional reforms and achieving stability and growth. He said that both France and Pakistan enjoyed an excellent relationship and hoped that the relationship would further strengthen in the coming days through greater economic collaborations and business partnerships.

### Climate change takes charge of agriculture output in Pakistan

Climate change mostly affected cotton, maize, paddy, and vegetables in both Punjab and Sindh in this year. Due to severe damage to cotton in Sindh, a large number of growers had removed the crop from their fields. The crop was infested by pests following the spell of rains.

Former chairman, Sindh Chamber of Agriculture Kabool Muhammad Khatian said due to the unavailability of BT cotton, the average yield was 16 maunds/acre in the country at a production cost of Rs40,000/acre. Thus, around half of the production was just the cost of cultivation.

He suggested policy institutions to develop cottonseed, which takes several years. So far, none of the research institutes including Tandojam, Multan and Faisalabad have developed any variety of cottonseed and the government’s promises regarding the improvement of fertility and subsidy have not been fulfilled.



He said it was not only the weather but also corruption that ruined growers, as pest-resistant seeds could have sustained the bad weather. According to estimates by the stakeholders, production of around 10 million bales was expected against a revised government target of 10.5 million bales.

The country would have to import around 6.0 million bales. Of which, contracts have already been made for the import of 4.0 million bales. With the opening of the Torkham border, cotton imports were also made from Afghanistan.

Due to high temperatures, cotton was affected in Sindh and Punjab while paddy crop was affected in Dadu, Shahdadtot, Shikarapur, Larkana and Jacomabad districts in upper Sindh. Maize was affected in Punjab.

Unexpected rainfall in August and September affected harvesting of cotton and onion, while the production of tomatoes was also affected that resulted in a huge increase in prices.

Sindh government decided not to buy wheat from growers this year, which affected the growers and they were compelled to sell the commodity at lower rates of Rs 1,050/ 40 kg in the open market. However, prices moved upwards later on. Paddy rates saw an increase of the only Rs100 to Rs150/40kg, as rates

remained around Rs. 1, 100 compared with last year’s rates of Rs950 to Rs1,000/40kg.

Sugarcane price in Sindh was raised by Rs 12 to Rs 192/40kg, which was also termed low by the growers looking at an increase in the cost of production. Sugar, however, saw a considerable increase in rates. Growers have termed the year a difficult one in agriculture as dollar rates increased to Rs 158 from Rs 110 in a year, but crops did not see much appreciation despite paddy and cotton being export crops in Pakistan.

Senior vice president, Sindh Abadgar Board Mehmood Nawaz Shah said. “Crop prices did not increase both at the export level and at domestic consumption level”.

He further said, “generally speaking, the year has been a difficult one for the growers.” On the other hand, State Bank of Pakistan has suggested an increase in agriculture finance to Rs 1.8 trillion serving 6.0 million farmers in FY20.

Agriculture financing continued to demonstrate growth momentum as disbursements crossed Rs 1.0 trillion marks for the first time, reaching Rs 1.17 trillion in FY19; 21 percent higher than the disbursement of Rs 973 billion in FY18. In terms of credit demand, financial institutions were able to meet 77 percent of the demand of Rs 1.51 trillion, which is an all-time high in Pakistan.

Outstanding financing portfolio also increased during the year to reach Rs 562.4 billion at the end of June 2019 compared to Rs 469.4 billion of the corresponding period. Further, the outreach in terms of the number of agricultural borrowers increased to 4.01 million borrowers with a growth of eight percent during FY19 compared with 3.72 million borrowers during FY18.

### **Eco-farming model of China good to increase yield of crops: Pakistan China Joint Chamber Of Commerce and Industry**

Pakistan China Joint Chamber of Commerce and Industry (PCJCCI) President Zarak Khan urged the government to adopt the Eco-farming model of China for increasing agricultural yields. He said this while introducing the Chinese Cultivation Model of "Eco-Farming" in the PCJCCI think-tank session held recently. He emphasized to get the benefit of Chinese friendship also in the field of agriculture.

The PCJCCI president said, Chinese cultivation model, involved the usage of hybrid seeds, better water management, a role of government for ensuring effective safety and support mechanisms such as making a reservoir of food grain and also public-private partnerships to overcome the future food crisis.

Zarak Khan said: "Chinese Model of Eco-Farming ensures healthy farming and healthy food for today and tomorrow." Salahuddin Hanif and Executive Committee Members of PCJCCI also attended the session.

### **Pakistani food gaining global recognition, the best way to promote tourism: Sindh governor Imran Ismail**

Sindh's governor said that Pakistani food has been gaining global recognition with the passage of time, adding that local food may be the best way to promote tourism. Imran Ismail made this statement to the media while he visited the seventh edition of the Karachi Eat food festival being held at the Beach View Park in DHA Karachi.

Accompanied by (PTI) MNA Aslam Khan, the governor visited many food stalls and conversed with the other visitors. Ismail appreciated the estimate that some 100,000 people of the city are likely to have visited the festival during its three-day run. He also appreciated the fact that a portion of the proceeds from the Karachi Eat will be reserved for charitable causes. He said the festival has emerged as a major event.

The people of the city wait for the food festival throughout the year, as it provides them with a massive opportunity for recreation, he added. The governor said that such events have always been helpful to the people engaged in the food business, as they get the much-needed opportunity to introduce their products and services. He said that social, cultural and recreational activities are being held across Karachi on a frequent basis, proving time and again that the law and order situation of the city has improved a lot. He appreciated the fact that the festival was well-attended by the city's residents. ♦

