

Mango exports rise

To avoid losses through unplanned and premature fruit exports in the coming season, the Ministry of Commerce has allowed mango exports from May 25, 2013 as per a notification issued on May 3, 2013.

Chairman All-Pakistan Fruit and Vegetable Importers-Exporters and Merchants Association (PFVA) Waheed Ahmed said that mango production was expected at 1.55 million tonnes while an export target of 0.175 million tonnes has been set for this year.

Pakistan may fetch \$60 million if the target is met. Sindh remains the most affected province of the climatic hazards and faces 0.15 million tonnes drop in production with an estimated decline of 25% in 2013. The production of mango in Hyderabad, Tando Allayar, Mititari, Mirpur Khas and others parts of Sindh was badly affected, contributing to delay this season by two weeks.



Mr. Waheed, in a statement, said that with successful introduction in Japanese market previously, a limited quantity of Pakistani mango would be commercially exported to the foreign country this year after processing the fruit through the existing pilot Vapour Heat Treatment (VHT) plant.

He said international barriers on trade with Iran also hit mango exports as Pakistani banks had stopped trade services with Iran, where 30,000 tonnes from Pakistan were shipped previously. The illegal trade or smuggling via land routes was not benefiting the country in terms of revenue.

"Exports to Australia may not begin due to quarantine issue. Australian quarantine team had visited facilities and orchards in the country to check the qual-

ity of the fruit for their market, but no development was made in this regard," he added.

He said exporters would mainly focus on exports to Japan, South Korea, the US, Mauritius and Lebanese markets. Pakistan was mainly exporting various varieties like Sindhri, Sunhaira, Fajri, Began Phali, Summar Chaunsa, Black Chanusa and White Chaunsa to around 40 countries.

Arrival of mango season

While mango fruit appeared in markets in the beginning of May, the full-fledged season finally took off with the arrival of matured crops albeit, delayed by a fortnight.

"We usually start our business around May 12 and begin exporting the fruit by this time", says Haji Ameer Khan of Hyderabad's wholesale fruit and vegetable market. Unlike last year, when he had bought the consignment around May 12, this year he had to wait until around May 22.

A commissioning agent-cum-contractor of mango farm Nisar Ahmed Arain concurs, adding that the fruit which started arriving in Hyderabad market around early May lacked quality, and was not popular with consumers. The earliest varieties to reach the market were Almas and Saroli, followed by Daseri and Sindhri.

Mango is also suffering from lower yield and market forces believe that the drop would affect prices. As of now, Sindhri is selling for Rs 60 per kg at roadside vendor's end, whereas wholesale market commission agents, like Nisar, sell a gunny bag of 22 kgs of unripe mangoes for Rs 900 or Rs 1,600 a maund, but that's the best quality. Generally, wholesalers sell a bag for Rs 750 to Rs 800.



"On an average, a 22 kg bag is sold between Rs 700-Rs 800," says wholesaler, Mohammad Shahid Arain, adding that due to lower production he didn't get 60 acres of farm on contract which was offered for Rs2.7 million. "The man who took the farm doesn't seem very optimistic about a sizeable crop," he says, fearing that if the pace of fruit's arrival didn't pick-up, he would have to wrap up his season a little early.

Farmers and horticulturists attribute the drop in production to erratic weather patterns that affected the flower and fruit settings in the farms. Hailstorm also damaged crop particularly in Mirpurkhas region. Southern winds that usually visit orchards early March and help enrich the fruit's look were also absent when needed.

"An extended winter disturbed the flowering pattern and we had multiple number of flowering this year. Such weather conditions are not conducive for development of fruit's size, colour and flavour," says Director General Agriculture Research, Mr. Atta Soomro.

The crop also came under hopper pest attack. Such pests blacken the fruit's skin and affect the quality of the fruit. Another reason for lower yield was the 2011 heavy monsoons that raised the underground water table, which reduced quality of the soil.

According to an official of Pakistan Horticulture Development and Export Board (PHDEB) Abdul Razaq Malkana, it was due to belated crop arrival this season that its export began on May 25 this year instead of by May 20. However, he says that the government is concentrating on increasing its export to new market like Korea and hope to take over-all volume of mango's export to 120,000 tonnes against last year's 107,000 tonnes.

“This year’s fruit is relatively medium in size compared to previous years, but the size is preferred abroad so we are hoping for better export,” Malkana adds.

Pakistan’s total mango production hovers around 1.7 to 1.8 million tonnes annually with major share coming from Punjab and 30% from Sindh where mango orchards spread over 60,467 hectares. Usually, farmers outsource their farms to contractors for two to five years. Estimates from farmers and contractors show that millions are invested in this business every year. For instance, if a 200 acre orchard is let out for Rs 100,000 per acre, then it means an amount of Rs 20 million will change hands in a single deal. A single contractor handles a multiple number of farms.

“Farmers generally avoid managing farms and are unwilling to wait for one year for the crop,” says Imdad Nizamani, a progressive farmer from Tando Allahyar. Since some varieties give fruit on rotational basis, growers feel comfortable in outsourcing their farms.

Progressive farmers, keen to export to European countries’ high end super markets, are applying hot water treatment and giving due attention to orchards. Researchers encourage farmers to opt for progressive farming if they want to fetch better price for crop. They need to reduce intra-tree space from 40ft to 15ft or 25ft to control height of trees. Each tree’s height should be maintained at 15ft to 20ft instead of 30-50ft. Such mango farming is called ‘high density farming’ which improves per acre yield. Growers can have more mango trees on an acre against 25 to 30 trees an acre that they plant right now.

Sindh to reap bumper mango crop

Sindh is likely to reap a bumper mango crop of around 0.4 million tonnes this year despite losses due to recent rains and hailstorms in some areas.

The Horticulture Institute in Mirpurkhas has estimated the mango output at 0.4 million tonnes against 396,137 tonnes in 2012. The Institute confirmed that there have been some

losses to the mango clusters in some area but otherwise the crop is in healthy state and expected to produce quality mangoes.

More and more growers are turning to banana and mango cultivation which have of late emerged as major cash fruits. The latter is a better choice in terms of income, both in the domestic and foreign markets.

The production of mangoes in the province increased to 396,137 tonnes last year against 391,781 tonnes in 2011.

Mango is grown in all districts except Jacobabad, Kashmore and Qambar Shahdaktot where the climate is not suitable for the fruit.

The highest mango growing district is Mirpurkhas, where area under mango gardens is 12,196 hectares followed by Tando Allahyar with 9,984 hectares. The total area under mango cultivation last year was 60,467 hectares, compared to 60,055 hectares in 2011.

The main mango variety grown in the province is Sindrhi which being a popular product in the export market, earns a good deal of foreign exchange for the country. It is known for its large size and unique fragrance. The other varieties are Langrha and Chaunsa.

The Crop Protection department (CPD) has reported no major disease in mango clusters except some common diseases such as powdery mildew, emflorance, and didact which are controlled through proper insect sprays.

Director CPD Bashir Kerio revealed that the auction of mango gardens in



early stages of ripening is the main cause of diseases in the fruit clusters. The contractors buying clusters do not bother to spend money on sprays after the sale deal is finalized with the grower.

Australian experts are helping mango growers on modern techniques of horticulture on how to check diseases and improve production.

The growers are advised to have regular pruning of thick mango clusters in order to expose the fruit to the sun and fresh air which has a healthy impact on the fruit.

An official confirmed that the DG office has received reports of losses to the mango trees due to recent hailstorm. He did not quantify the amount of losses. Meanwhile, the mango growers have complained against lack of incentives from the agriculture department which directs all subsidies to the cash cereal crops like wheat, rice and cotton.

The department held a mango exhibition in Dubai last year, where Sindrhi and other varieties were displayed. The show attracted huge crowds and yielded sizeable foreign exchange.

Increased investments in agriculture and livestock

The Balochistan government, assisted by the Federation, has stepped up its efforts for development of agricultural and allied activities.

The FY14 development allocation for agriculture and livestock sectors represent 30% and 32% increase respectively over those of FY13, Chief Minister Abdul Malik Baloch during budget presentation.

Agriculture is the only area that holds promise for short-term growth in the militancy-hit province. However, keeping this in mind, the allocations for agriculture and allied sectors do not look impressive even though they represent a substantial rise over those of FY13.

The provincial chief minister has promised to focus on full, on-time and efficient utilisation of financial allocations, and officials of agriculture and allied departments hope to see some improvement during the current leadership.

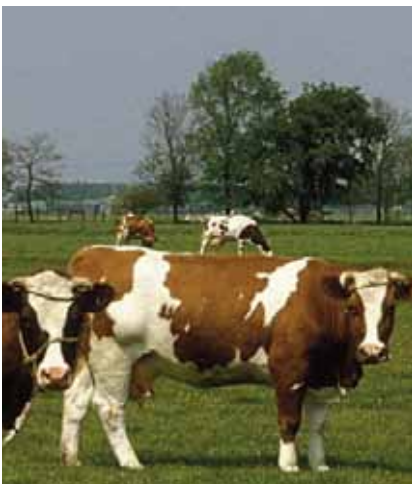
A number of new and old schemes have been covered under budgetary and/or federal PSDP allocations. These include schemes for modification and upgrading of fishermen's boats (Rs 500 million), promotion of cotton cultivation (Rs50 million), seed production and multiplication (Rs 50 million), construction of eight boats-repairing workshops (Rs16.8 million), etc.

While these schemes received the grant in accordance with the proposals from the departments concerned, officials are not happy with cuts in originally proposed financial estimates of a few important projects.

For example, the ongoing fish processing unit at Pasni received only Rs 200 million against Rs 500 million needed to make it functional. Likewise, a project aimed at enhancing crop production through innovative research was allocated Rs150 million instead of Rs 366 million, a scheme for boosting crops productivity received Rs 50 million against Rs348 million and yet another project for extending mangrove plantation in coastal districts got Rs 20 million against Rs 50 million.

Allocation for establishment of semi-cold fish hatchery at Sabakzai dam was also kept at Rs 25 million against its proposed cost of Rs 69.382 million.

"Our financial needs for promoting agriculture are peculiar in that our projects are spread over vast and scattered areas some of which are too difficult to access both geographically and due to ongoing militancy," explained an official of the agricultural department.



Regardless of apparently lesser-than-required allocation for agricultural development projects, one important progress is that much-higher-than-before allocations for education sector are also going to help agriculture indirectly. For example, Rs 500 million meant for planned upgrading of Agricultural College, Quetta, to the status of a university and establishment of a Rs 20 million marine research centre at Lasbela University of Agriculture would benefit farming and fisheries sectors in the long-run.

Two separate projects aimed at controlling desertification and extending vegetative cover in various districts of the province would also benefit small growers and herders. These projects, the total allocation for which is Rs 210 million, would cover Nushki, Chaghai, Kharan, Washuk, Panjgur, Shirani, Killa Abdullah, Killa Saifullah, Kharan, Jhal Magsi, Barkhan, Kohlu and Musakhel. In the first four districts, the project would also provide vegetative cover through sand dune plantation.

The chief minister has also announced launching of Rs 1 billion Green Balochistan programme. Officials familiar with this project say that the bonus of the programme is that it promotes eco-friendly activities in agriculture, introducing organic farm inputs, curbing environment-damaging practices in industries and mining and a host of other activities including adoption of solar-based energy generation. Officials say that farmers would get subsidy on solar-powered tube wells under a scheme that was initiated in FY13.

In livestock sector, the projects that

have got budgetary and PSDP allocations for FY14 include establishment of cattle markets at a cost of Rs 223 million in Zhob, Khuzdar, Turbat, Jafarabad and Killa Abdullah; promotion of best cattle-breeding practices at a cost of Rs 50 million and launching of a Rs 260 million poultry farming support programme in the rural areas.

Officials of the provincial finance department suggest that instead of just looking at agricultural development scheme in isolation one should also see, how they plan to improve water courses and infrastructure so as to have a better idea of how agricultural sector would benefit from FY14 budget. The chief minister, who also holds the finance portfolio, mentioned that scarce water supplies and lack of infrastructure were impeding agricultural growth and that the new budget aimed at addressing these issues.

Mango export to US face many challenges

US-Pakistan Business Council should play its role in convincing the US trade mission and Animal and Plant Health Inspection Service (APHIS) to formulate a soft policy regarding import of Pakistani mangoes.

The Chief Executive Officer (CEO) Harvest Tradings Ahmad Jawad said that a US mission would visit Pakistan to give impetus to trade and investment relations between the two countries and it was hoped that it would achieve the desired results.

Ahmed Jawad said that it is right time



to start with mango diplomacy for the upcoming season, starting from next month which would surely help us to engage the private sector of both sides, as currently mango export to US is almost halted.

He urged APHIS, a subsidiary of USDA, to lay down the same policy as they have done for Indian products. The Indian counterparts have the permission to irradiate mangoes in their homeland.

To date the shipping and handling costs around \$22 for a two kg carton, and more options are needed for shipping and irradiation destinations to bring down the cost. Similarly mango buyers in USA required more facilitation in terms of better options and cost for Pakistani mangoes. Currently there is only one irradiation unit at Iowa, which is not cost effective.

The Harvest Tradings CEO further said that Pakistani growers exported only five tonnes of the country's signature fruit to the United States in 2011 and are hoping for a higher volume this year, as USA is one of the largest importers of mangoes.

Chicken prices decline after pre-poll hike

Stakeholders in the poultry business have started reducing rates of live bird after reaping huge benefits in 2013 general elections.

A poultry dealer said that a Sindh-based poultry association has reduced per kg rate to Rs 148 from Rs 152 while meat rate has been fixed at Rs 244. However, retailers are still charging over Rs 152 per kg for live bird in many areas and Rs 250-



260 per kg for meat.

The poultry people had raised prices to Rs 150-152 from Rs 128-130 per kg for live bird ahead of elections.

There is an estimated daily slaughtering of 500,000-600,000 birds in Karachi alone in normal days.

Stakeholders and retailers fully cashed in on the situation just one or two days ahead of the elections. Many retailers witnessed more than 50% sales on May 8 and 9 as compared to their normal sales as people made larger purchases, fearing lawlessness during the election period.

Giving reasons of increase in prices, a spokesman for Pakistan Poultry Association (PPA), A. Maroof Siddiqui, said that chicken demand had swelled sharply ahead of elections as many political parties had arranged meals for their party workers who were attending various functions and rallies during pre-election campaigns.

Besides, there was some improvement in sales by hotels and restaurants. Now chicken demand is sliding after the elections and due to this reason, rates have been reduced, he claimed.

Maroof did not agree that poultry people had been making huge money by cashing in on the demand and supply position. He claimed that the last 9 to 10 months had been very tough for the poultry sector in terms of profitability.

Need to ban wheat exports

With depleting strategic wheat stocks barely enough to meet food requirements of the remaining year - it is time to ban wheat export and lift duty on import of the commodity.

From a surplus, the country has entered into a tight stocks reserve position that may turn into a deficit, resulting in price spinning out of hand.

All official agencies put together are currently holding stocks of 7.59 million tonnes. Out of those, Punjab has 4.15 million tonnes, Sindh 1.24 million tonnes, Pakistan Agriculture Services and Storage Corporation (Passco) 2.13 million tonnes and Khyber-Pakhtunkhwa 56,000 tonnes.

Comparing the current stocks with last year's releases define the risk of food security this year. Last year, these agencies jointly released 7.33 million tonnes to maintain smooth supplies for food. If the releases, which were historically high, are a benchmark, the country may have only 260,000 tonnes against a requirement of one million tonnes of buffer (strategic reserves) stocks.

What makes the situation worse is the current price trend. Wheat is already selling beyond Rs 1,300 per 40kg in open market, at least Rs 50 per 40 kg more than what the Punjab government is contemplating as release price. This means, the moment the Punjab Food Department begins releasing wheat, millers will have a run on its stocks. They would test waters during its short releases during Ramazan. By the time it begins normal releases four months down the line, open wheat market may be much drier and price even higher. The stocks thus may have hard time surviving the pressure.

This will be the decisive point for wheat, where millers will rush to official agencies for subsidized wheat and these agencies may not have enough stocks to set market and flour prices. And if hoarders start their activity, which they are sure to do, the country may be in for huge trouble. These hoarders have proven capacity and will to stock wheat faster



than official releases, especially if they know the government cannot flood the market with supplies. If they start hoarding even 30% of official releases, as they have done in the past, it would be bad news for common man and the government by extension.

Under pressure from huge stocks in the last few years, the government had maintained a liberal, even incentivized, wheat regime. It permitted free export of wheat and its products and placed 5% duty on imports. That stance is still in place. However, if it persists any longer, it may drain domestic stocks and complicate matters. So, the federation, especially the ministry for food security, which incidentally is headed by the only farmer minister in the cabinet, needs to sit with provinces and evolve a wheat strategy for the rest of the year.

One suggestion can be placing a ban on wheat export. As per figures of the Federal Board of Revenue till May, 1.2 million tonnes of wheat were exported out of the country. It also included around 660,000 tonnes of flour. Now, the policy needs to be reversed to help save domestic stocks. Its impact would be limited: flour would, anyway, continue pouring out of porous borders to Afghanistan and Iran. But its frequency and quantum can certainly be contained. Thus, this option can be exercised unless the government is prepared to import wheat this year.

The domestic scenario suggests that pressure may start growing three to four months down the line and peak early next year, when there would be no fresh arrival in the world market.

The federation should see who can import wheat. The poultry feed industry can be one such case. It roughly consumes over a million tonnes of wheat if the corn prices spike. This year, it reportedly made huge purchases. The choice government has now is to see whether to let the poultry industry feed its chicken with their precious wheat stocks or persuade it to replace them with imported wheat and divert the purchases to humans.

The provincial governments, especially that of Punjab, need to be very careful about intervention in price mechanism. The country has limited stocks. Throwing them cheap in the market would only encourage smuggling. Keeping them expensive would make life difficult for people and politicians. Creating a balance between both would test political, financial and planning resolve of the government.

Pakistan produces over 150 varieties of mango

Pakistan produces over 150 varieties of mango and among these Chaunsa and Sindhri have great potential for finding buyers in the international markets.

Secretary Agriculture Punjab Muhammad Mushtaq Ahmed said Punjab holds 67% of the total area and produces 80% of country's mango.

He said total production of mangoes in Punjab during 2011-12 was 1.304 million tons. Pakistan produces over 1.75 million tonnes of mangoes, out of which 127 tons are exported, that is only 5% of the total mango produce is processed into value added items, like pulp for use in drinks and ice cream, canned mangoes and dried mangoes.

Pakistan starts mango export to South Korea

Exports of mangoes from Pakistan has been initiated and the 1st order containing 400-tonnes mangoes has been exported to South Korea. This season target of 1,7500 tonnes has been set for mango exports, from which an income of \$600 million is expected. Pakistani mango is being exported to central Asia, and several important countries of Europe

First-ever shipment of mango to Seoul has been started during ongoing season. Pakistani mango exporters got the market access of a third highly-valued and important country after United States and Japan.

South Korea has finally allowed import of Pakistani mangoes after approving its quality. This information was released by Waheed Ahmed, Co-chairman, Pakistan Fruit and Vegetable Exporters, Importers and Merchant Association (PFVA).

Pakistan and South Africa to boost rice export through bilateral trade

Increase in bilateral trade between Pakistani and South Africa (SA) can greatly boost current level of rice export of the country. Due to lack of interest displayed so far by the Pakistani exporters, competitor countries are taking share of South African market.

Mr. Ibrahim Patel, President Minara Chamber of Commerce Durban (South Africa) at a reception in honour of the visiting delegation of Rice Exporter



Association of Pakistan (REAP) led by Jawed Ali Ghori Chairman REAP, apprised Pakistani rice exporters could get access to nine African countries by capturing the South African market.

South Africa has a good potential for Pakistani rice and it is very famous among all the communities in South Africa and a large number of Pakistani, Indians and South African people purchase Basmati rice due to its taste and aroma.

Qamar Zaman Commercial Secretary, Jawed Tar Muhammad, Deputy leader of the delegation, Nadeem Sadiq, convener of the delegation, managing committee members Teka Mal and Waqas Asghar along with Dayo Mal, Chander Pal, Syed Azhar Hussain Hashmi, Shoaib Rauf and Aadil Paracha were also present on the occasion.

Patel informed the Pakistani delegation Minara Chamber was the platform of Muslim traders, which has its unique identity.

Minara Chamber has a very friendly relationship with all the local chambers of South Africa and also with REAP. He said they wanted Pakistani exporters to introduce their products and brands in South Africa as well as all surrounding African countries.

He alerted the Pakistani delegation that due to the non-interest of Pakistani exporters, competitor countries were taking share of South African markets.

Pakistani products have a good demand, on the other hand, South Africa is like a gateway for African countries and 60% trade of South Africa is being done through Durban and nine other surrounding countries are also depending upon South Africa.

He elaborated that the South African market was a free market and rice was the staple diet of people. If Pakistani rice



exporters focus on South African market aggressively, trade between both the countries will increase with a significant ratio.

Jawed Ali Ghori said rice could compete in international market, but during recent few years, rice exports to South Africa has declined and the main reason behind the visit of the REAP delegation was to regain and increase the market share of Pakistani rice in South Africa.

He informed that the visit to Johannesburg and meetings with rice buyers were very successful. He was optimistic, that a visit to South Africa would result into the increase in bilateral trade between both the countries and Pakistani rice exporters would be hopeful to get big export orders in due course of time.

Thailand cuts rice-buying subsidy after big losses

Thailand said that it would slash the price paid to rice farmers under a controversial scheme that caused the kingdom to lose its place as the world's top exporter of the commodity last year.

The country has paid its farmers around 50% more than the market value for rice since 2011 in an effort to boost incomes in the rural heartlands of the ruling party.

The government tries to sell the rice in world markets but faces stiff competition from rival producers such as Vietnam and India, and lost about 137 billion baht (\$4.5 billion) from the scheme in the year to January. In an effort to reduce the cost,

the price paid will be reduced by 20 percent, to 12,000 baht (\$388) per tonne, according to Prime Minister Yingluck Shinawatra's office.

While the policy has proved popular in impoverished rural areas, political opponents say the scheme is designed to curry favour with farmers in northeast Thailand whose support helped sweep Yingluck to power in 2011.

Her older brother Thaksin Shinawatra, who was ousted as prime minister by royalist generals in a coup in 2006, is hugely popular in rural Thailand thanks to his populist policies while in power.

This year Thailand is forecast to buy 22 million tonnes of the grain at a cost of up to 500 billion baht, a cabinet statement said. A cap of 500,000 baht will be introduced for each family per harvest.

The government has previously said it is confident that it can find buyers for its rice on world markets at a price that will raise the living standards of its farmers.

It says it has signed deals to sell rice directly to other countries, but exporters have reported a glut of unsold stocks.

Since Thailand began buying rice at inflated prices it has been overtaken by both India and Vietnam as a global rice exporter. But a government spokesman denied the scheme had hurt growth or been a failure.

"The price revision is due to the fluctuation of the global economy and the weakening of the baht," Teerat Ratanasevi told reporters. ♦

