

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Pakistan

Grain and Feed Update

Pakistan Grain and Feed Update

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Report Highlights:

A higher support price, adequate irrigation, and low cotton prices have combined to encourage farmers to plant their wheat in a timely manner for the upcoming 2014/15 Rabi (winter) season. Pakistan has so far imported 650,000 tons of wheat, but the government's decision to impose a regulatory duty on wheat imports is expected to halt imports during the balance of the marketing year. Harvesting of the MY 2014/15 rice crop is complete and initial reports suggest rice production is around 6.5 million metric tons. The damage to rice crop due to floods in September was less than expected and limited to Basmati areas in Punjab.

Timely Planting of Wheat across Pakistan

A convergence of factors has resulted in timely planting of wheat for the 2014 Rabi (winter) season. The government's decision to raise the wheat procurement price encouraged farmers to opt for wheat. On November 1, 2014, the Government announced an eight percent increase in the wheat support price and fixed it at Rs. 1,300 per 40 kilogram (\$318/ton) for the next crop, a move aimed at providing relief to farmers. The increased availability of irrigation water and better soil moisture conditions from the monsoon season and low prices of cotton have also led to the timely planting of wheat. Late planting of wheat has been a chronic issue affecting wheat yields. This year, due to low prices of cotton, farmers did not wait for the last cotton picking before planting wheat.

Trade

Data from Pakistan's Bureau of Statistics indicates that imports had reached 650,000 tons through the end of October, but the government's October decision to impose a regulatory duty (a tariff of 20 percent on imports through June 2015) on wheat imports makes additional imports less likely.

Pakistan's wheat imports during the current marketing year are provided below in Table 1, this data is subject to eventual revision. The wheat was sourced from Black Sea ports at an average price of \$275/ton (C&F Karachi).

Table 1: Pakistan Wheat Imports MY 2014/15 (May/April)

Month	Metric Tons
May	0
June	0
July	0
August	44,832
September	230,000
October	371,177
Total	646,009

Source: Pakistan Bureau of Statistics

Rice Situation Stable

Harvesting of the market year (MY) 2014/15 rice crop has been completed and initial reports suggest rice production to be around 6.5 million metric tons (mmt). Damage to the rice crop due to flooding in September was not as severe as some had predicted. Most of the damage was confined to certain Basmati growing areas in Punjab.

Government Approves Basmati Rice Subsidy for Farmers

The Government of Pakistan has approved a rice subsidy package worth Rs. 10 billion (\$100 million) for small Basmati rice farmers with less than 25 acres of land. Basmati rice farmers will receive Rs. 5,000 (\$50) per acre to compensate for sagging prices and losses that occurred as a result of flooding in September. Federal and provincial governments will share the cost.

