

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Date: 4/26/2013

GAIN Report Number:

Pakistan

Post: Islamabad

Grain Situation Update

Report Categories:

Grain and Feed

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Report Highlights:

Government of Pakistan has set a wheat procurement target of 7.91 million tons for the current marketing year. To attain the target, the Federal Government will provide the Pakistan Agricultural Storage and Services Corporation (PASSCO) and the provincial food departments with Rs244.6 billion (\$2.48 billion) in guarantees. Prospects for the rice crop are looking good as the Indus River System Authority (IRSA) announced that the supply of irrigation water for the Kharif (summer) crops will improve from last year. No changes were made in the PSD tables.

General Information:

Wheat

Government of Pakistan Sets Procurement Target

On April 17, at the onset of the MY 2013/14 harvest, the Government of Pakistan set a wheat procurement target of 7.91 million tons for the current marketing year. To attain the target, the Federal Government will provide the Pakistan Agricultural Storage and Services Corporation (PASSCO) and the provincial food departments with Rs244.6 billion (\$2.48 billion) in guarantees. The table illustrates the breakdown of the procurement targets by province and PASSCO, along with the estimated cost.

Agency/Province	Quantity (MT)	Cost (Billion \$)
Punjab	4.5	1.38
Sindh	1.3	0.39
KPK	0.40	0.12
Baluchistan	0.11	0.03
PASSCO	1.6	0.56
Total	7.91	2.48

Last year, the public sector procured 5.80 million tons of wheat against a procurement target of 7.73 million tons. During the last three years, wheat procurements have averaged 6 million tons, Post expects that this year's procurement will be at a similar level.

Since January 2013, exports continue to lag due to unfavorable terms of trade for Pakistani wheat as international prices continue their downward trend. Pakistani traders are bullish that competitive supplies, due to a good harvest, will be available for export during the July-December period.

Rice

Indus River System Authority (IRSA) announced that the supply of irrigation water for the Kharif (summer) crops will improve from last year due to a rise in temperatures in the Himalayas, reducing the forecast shortage from 21 percent in 2012 to 10 percent in 2013.

Post's rice production forecast for MY 2013/14 of 6.2 million tons remains unchanged. Rice exports in MY 2013/14 are still projected at 3.2 million tons, as the rice industry continues to be adversely affected by electricity shortages.