

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 12/29/2017

GAIN Report Number: PK1730

Pakistan

Grain and Feed Update

Grain and Feed Update 2017

Approved By:

David Williams

Prepared By:

Asmat Raza

Report Highlights:

Pakistan's MY 2017/18 wheat crop is now estimated at 26.5 million metric tons (MMT), the highest ever. Area for the upcoming 2018/19 wheat crop is not expected to change significantly as farmers enjoy high support prices and a relatively consistent supply of water. Harvesting of the 2017/18 rice crop is complete and initial reports suggest rice production was 7.2 MMT, slightly higher than the current USDA estimate. MY 2016/17 corn production is revised upwards to 6.0 MMT, in accordance with the latest available data. MY2017/18 production estimate is also revised up to 6.0 MMT as the introduction of hybrids continues to boost yields.

Wheat Production Highest on Record

Pakistan's MY 2017/18 wheat crop is now estimated at 26.5 MMT in accordance with the Government of Pakistan's latest estimate. This makes the current harvest the highest on record. In spite of a marginal decrease in area, generally good weather and expanded fertilizer use supported yields.

The Government of Pakistan has set the wheat production target at a 26.5 MMT for the 2017 Rabi (winter) crop that will be harvested in April and May of 2018 and marketed through 2019. According to this target, Punjab is expected to produce 20 MMT; Sindh, 4.2 MMT; Khyber Pakhtunkhwa, 1.36 MMT; and Baluchistan, 900,000 tons.

Reports from the field suggest that farmers have completed the sowing of wheat across Pakistan. Wheat area is not expected to change significantly from a year ago. Good spells of rain across the wheat producing areas in November and December helped in the sowing and germination.

Ninety percent of the crop is irrigated and irrigation water availability for the upcoming Rabi season is estimated at 29.5 million acre feet (MAF) against the 10-year average of 36.4 MAF and the year ago availability of 30.9 MAF. This reduction in reservoir levels is not large enough to have a significant effect on planted area or yields.

With a high tariff and high domestic prices, Pakistan continues to be isolated from the international wheat market. The domestic market is insulated from imports by a 60 percent "regulatory duty." The tariff is well below Pakistan's bound tariff rate (the maximum tariff rate Pakistan can establish) for wheat of 150 percent. Consequently, Pakistan is not likely to import any significant quantity of wheat during MY 2017/18.

Pakistan is expected to maintain the procurement price of \$310 per metric ton for the MY18/19 crop. The procurement price and the effective price floor that it creates in the commercial market places Pakistani wheat among the most expensive in the world. Pakistan's most reliable export market is Afghanistan, where wheat flour is typically exported via close relationships between traders on either side of the border. However, recent closings of a number of border crossings and the high price of wheat in Pakistan appear to be curbing the flow of flour into Afghanistan. Wheat equivalent exports to Afghanistan are estimated at 400,000 MT and total exports are estimated at 600,000 MT, other exports are likely to be to regional trading partners.

Production, Supply and Demand Data Statistics:

Wheat Market Begin Year	2015/2016		2016/2017		2017/2018	
	May 2015		May 2016		May 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Pakistan						
Area Harvested	9200	9200	9200	9200	9050	9050
Beginning Stocks	3710	3710	3829	3829	4332	4379
Production	25100	25100	25600	25600	25700	26500
MY Imports	19	19	3	50	30	50
TY Imports	9	9	3	50	30	50
TY Imp. from U.S.	7	7	0	0	0	0
Total Supply	28829	28829	29432	29479	30062	30929
MY Exports	600	600	600	600	600	600
TY Exports	600	600	600	600	600	600
Feed and Residual	800	800	800	800	800	1100
FSI Consumption	23600	23600	23700	23700	24000	24000
Total Consumption	24400	24400	24500	24500	24800	25100
Ending Stocks	3829	3829	4332	4379	4662	5229
Total Distribution	28829	28829	29432	29479	30062	30929
Yield	2.7283	2.7283	2.7826	2.7826	2.8398	2.9282
(1000 HA) ,(1000 MT) ,(MT/HA)						

Rice

Harvesting of the MY2017/18 rice crop is complete and production is estimated at 7.2 MMT, up 350,000 tons from a year ago. According to preliminary data during MY 2016/17, Pakistan exported 3.6 MMT of rice compared to 4.2 MMT during MY 15/16. Lower exports are mainly due to stiff competition from other suppliers such as Thailand, Vietnam, and India which continue to supply rice more competitively than Pakistan.

Table 1: Pakistan Rice Exports MY 2016/17 (Nov/October)*

Months	MY 15/16	MY 16/17
November	547,286	438,399
December	475,346	391,161
January	390,323	390,690
February	450,689	355,633
March	415,463	271,282
April	421,235	374,250
May	384,016	220,377
June	316,177	257,881
July	166,203	200,995
August	152,198	227,998
September	181,350	192,101
October	385,434	304,674
Total	4,285,720	3,625,441

Source: Pakistan Bureau of Statistics

*Data are preliminary and final PSD estimates may differ.

Production, Supply and Demand Data Statistics:

Rice, Milled Market Begin Year	2015/2016		2016/2017		2017/2018	
	Nov 2015		Nov 2016		Nov 2017	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2740	2740	2687	2687	2700	2700
Beginning Stocks	1209	1209	1119	1119	1279	1279
Milled Production	6800	6800	6850	6850	6900	7200
Rough Production	10201	10201	10276	10276	10351	10801
Milling Rate (.9999)	6666	6666	6666	6666	6666	6666
MY Imports	10	10	10	10	0	0
TY Imports	10	10	10	10	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	8019	8019	7979	7979	8179	8479
MY Exports	4100	4100	3600	3600	3800	3800
TY Exports	4000	4000	3600	3600	3800	3800
Consumption and Residual	2800	2800	3100	3100	3200	3400

Ending Stocks	1119	1119	1279	1279	1179	1279
Total Distribution	8019	8019	7979	7979	8179	8479
Yield (Rough)	3.723	3.723	3.8243	3.8243	3.8337	4.0004
(1000 HA) ,(1000 MT) ,(MT/HA)						

Corn

MY 2016/17 production is revised upwards to 6.0 MMT, in accordance with the latest available data. MY2017/18 production estimate is also revised up to 6.0 MMT. Consumption estimates for 16/17 and 17/18 are revised upwards to 6.2 MMT. Increases in both production and consumption are mainly due to the increased demand from the poultry feed industry.

Production, Supply and Demand Data Statistics:

Corn Market Begin Year Pakistan	2015/2016		2016/2017		2017/2018	
	Jul 2015		Jul 2016		Jul 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1210	1210	1300	1348	1350	1300
Beginning Stocks	1494	1494	1418	994	1237	794
Production	5300	5300	5600	6000	5800	6000
MY Imports	24	0	19	0	20	0
TY Imports	21	0	25	0	20	0
TY Imp. from U.S.	5	0	0	0	0	0
Total Supply	6818	6794	7037	6994	7057	6794
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	3600	4300	4000	4700	4400	4700
FSI Consumption	1800	1500	1800	1500	1500	1500
Total Consumption	5400	5800	5800	6200	5900	6200
Ending Stocks	1418	994	1237	794	1157	594
Total Distribution	6818	6794	7037	6994	7057	6794
Yield	4.3802	4.3802	4.3077	4.451	4.2963	4.6154
(1000 HA) ,(1000 MT) ,(MT/HA)						

