

Importance of wheat and export management

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Wheat a staple of the country's 140 million people enjoys utmost importance among all the crops produced in the country.

Self-sufficiency was lost in the late seventies and we became dependent on imports, food aid and foreign assistance. Gradually the import mafia built itself deep into the highest quarter of decision making.

The country finally became export surplus in wheat in the year 2000. The raise in support price from Rs260 to Rs300 pr 40 Kg was the catalyst, which did the trick. This price remains stagnant till today even after three years. While the cost of production has risen manifold in the shape of, rise in fuel prices by almost 100%, GST on fertiliser, pesticides, agriculture income tax, 25 per cent annual increase in water charges, abolition of flat rate on tube wells, and increase in electricity tariff on tube wells etc.

In July 2000 a Federal Cabinet meeting approved an initial export target of 0.5 million tons of wheat which has later increased to 1.0 million tons, but in the absence of a wheat export culture in the concerned departments/organisations this could not be implemented.

Scores of lame excuses and delaying tactics were used to resist this major breakthrough in wheat production. The whole system had to change its mindset and the way it worked, from a wheat importing culture to a wheat-exporting regime. Slowly this bitter pill had to be taken and exports managed to trickle out. New, in the international market the managers were completely unaware of the quality standards and specifications. Unprofessional efforts led us nowhere; the facilities available were not integrated into a meaningful combination to achieve maximum results.

With surpluses of 3 to 4 million tons in 2000 and an addition of 1 million tons each in 2001 and 2002 the exports managed up to now are only around 1.3 million tons. The delayed decision making has cost us a lot, in the year 2000 when we were offered 150\$ per ton but refused and later the same stocks were disposed off below \$110 per ton. Even today when China contracts to sell at \$155 per ton, we are boasting of sales at \$133 per ton. The international market players dropped rates by \$30 per ton in

Pakistan to resist from purchasing dollars from the open market, the earnings from wheat exports will assist in raising the foreign reserves. Moreover our close proximity to major importing countries and brotherly relations can go a long way in building this trade.

The USA supplies wheat to Afghanistan this year at a cost of \$200 per ton, such costs are only bearable in the shape of free aid or assistance, but a debt ridden economy like ours can ill-afford such extravagance. The domestic wheat re-

available to the farmer, large wastage in transportation to far away procurement centres and dispatch to even further away wheat storage sites by food department cause additional wastage. Uncovered storage of wheat has led to deterioration of quality due to weather and inability to effectively fumigate stocks. Nearly 70 percent of the population is assumed to have their own storage facility for their annual consumption requirements.

Silos or house type storage by

age project in the near future; water supplies to wheat are bound to diminish much earlier than March. This year the dams went dry in early March, but slowly this date will recede to February and the day there is no last watering available for wheat, we can say good bye to self sufficiency not only in wheat but all other Rabi crops dependent on river water.

Conspiracies through local leadership have come to bear fruit for the enemies of the country. The falling levels of ground water have also increased production cost, soil fertility is also decreasing due to over use of unfit ground water thus decreasing productivity levels. Although these efforts of ground water pumpage has cost an additional burden of Rs40 billion to the farmer but there is no relief. The prescribed dosage of vital inputs is becoming difficult to purchase for the farmer.

This is not all, IFTs especially the ADB has been very kind and the Government has humbly submitted to the conditionally of winding up the Provincial Food Departments, Seed Corporations and T.C.P in the next two year PASSCO is to purchase and maintain only 1 million tons of wheat as a strategic reserve.

Luck favoured the farmer in the shape of the aftermath of the tragedy of September 11 and the conditionalities were not strictly enforced this year but the Governments will surely succumb later to this requirement. What happens to the marketing problems of the farmer seems to be nobody's concern. In the absence of the private sector and adequate storage, credit facilities the farmer will again be left at the mercy of exploitative market forces. Tragically the loans being borrowed on the basis of these conditionalities are not to be used in the agriculture sector. The system of cascading prices recently introduced by the Punjab Government is a step in the right direction

but this will need 2 to 3 years to positively effect market sentiment for attracting private investment. Flour mills have to be made more efficient with diversification in the field of exports of wheat products.

There is an urgent need to build the capacity of the farmer to sustain the crucial period of harvest and sowing when crop prices are at their lowest. Perhaps a farmer company established at every market place is the answer where the farmer can dispose off, store or partially sell his produce at a reasonable price. The farmer being a shareholder and manager of this company would eventually suffer or benefit according to his own decision making. All that is required is institutional support and availability of infrastructure, which is otherwise going to be disposed off at throw away prices by the Privatisation Commission. If commercially located Bus Depots can be handed over to Transport companies with easy loans at reduced rates. Why cannot a similar solution be developed for the farmer on Government Lands, Railway godowns. Food department godowns and other such warehousing facilities available near a market place? This would totally change the whole picture of agricultural marketing and facilitate the farmer as well.

The increase in poverty in the rural areas is a clear indication of falling farm incomes, the ever rising costs of inputs have greatly effected the rural society and the fast deteriorating law & order situation, all these issues need dedicated efforts for the betterment of the country's economy. The recent directives of the Punjab Chief Minister to reduce mark-up by 4% is commendable and depicts the priorities of the present Government. The farmer hopes that the State Bank and other commercial banks especially the ZTBL also follow suit.



the year 2000 to discourage our exports. The international market being highly subsidised is definitely not attractive for our wheat sales but self-sufficiency is a blessing. Our part as an exporting country has to be built on the hope that with the advent of WTO regulations, Australia, Canada USA etc will be forced to cut down huge subsidies and our wheat will become competitive. In the light of IMF directions to State Bank of

quirement has risen from 5 million tons to 19 million tons. Out of the total farming community 80 per cent are wheat growers, the rising trends of poverty in rural areas and unemployment are the major factors which need to be kept in mind while making such decisions. The riots and public resentment seen during flour shortages clearly shows the importance of this basic human consumption. In the absence of adequate covered storage

PASSCO or the private sector in collaboration with farmers on a mutually beneficial agreement are required to be built on an emergency basis to save agriculture produce from deterioration. A regular policy of exports and storage facilities of international standards has to be maintained.

Water shortage during Rabi is a crucial issue, which seems to complicate with every passing year, in the absence of a major water stor-