National policy for seed crisis

In order to provide a level playing field for the private and public seed sectors for meeting quality seed needs of the farming community the government will soon reveal its national seed policy that will set up goals, directions, actions and responsibilities.

The national seed policy will govern all activities pertaining to research, seed production, distribution, processing, storage, seed certification, seed quality control, marketing, import, export, seed regulations, training and human resource development.

The focus of the 'National Seed Policy' will be to provide highest quality of seed having genetic and physical purity of the prescribed seed standards. Only five classes of seed: pre-basic, basic, certified-I, certified -11 and approved seed would be recognized in the certified seed production programme. The seed standards currently in vogue will continue.

An official of the Ministry of National Food Security and Research stated that raising the quality of seed is undoubtedly a highly important area of thrust for achieving efficiency and productivity.

The public sector seed corporations will be run on commercial lines and will have complete control over their operations without any interference from the government. Their operations will not be subsidized to provide a level playing field for the private sector.

To encourage seed production by the farmers, seed crop insurance scheme will be launched. The government recognizes that the role of the public sector is necessary for open pollinated crops like wheat, cotton rice and pulses.

To encourage investment in crop variety development and research and to protect the interests of the plant breeders, the government would provide conducive environment under a suitable regulatory framework. This framework will facilitate the breeder to benefit financially from his investment while serving the farmers' needs and the nation's agriculture and food security agenda.

The government will also announce incentives to encourage private sector to invest in research and variety development, seed production and distribution.

Special incentives such as: import and export tax exemptions, remittance of profits and dividends and availability of state land for 50 years lease extendable for another 49 years will be given to National seed companies, joint ventures with foreign companies or foreign seed companies for bringing technology, investing in local research and seed production in the country .

Exemption of local 'taxes' will be allowed for at least 10 years on investment in research and on quantities of hybrid seed produced by the private seed sector. The amended seed law 2015 and the Plant Breeders' Rights law would protect technologies and investments made by multinationals etc.

Challenges faced by Mango exports in Pakistan

Exporters hope to earn $75mn this year by exporting 100,000 tonnes a target which was missed last year due to a 40% drop in mango production. Foreign sales of 72,000 tonnes then were the lowest in the last five years. The total mango production this year is expected to be 1.6m tonnes. One reason for better performance is the ban on use of wooden boxes for fruit and vegetable exports. This year's mango exports began last month on an optimistic note as exporters reportedly secured supply orders of $1.1m from first five days' sale.

This Year Exports to traditional markets such as Saudi Arabia, UAE, Central Asia, Hong Kong, Singapore, Malaysia, Canada, Europe and Scandinavia are in full swing. However, new markets like South Africa, Japan, the US, Russia and Australia, which were recently opened for the Pakistani mango are highly competitive.

A painful point in Pakistan's impressive show this season is that Iran has been supplied a consignment of infected mangoes. There are fears that the incident may lead to a ban or a partial ban on mango exports to the friendly neighbour. Exporters can hardly afford to lose Iran because it buys 25% of all the mangoes Pakistan sells abroad. One may note that the Iranian market opened for Pakistani mangoes after the withdrawal of the West's sanctions on Tehran.

A delegation of the Iranian quarantine department is to visit Pakistan soon to inspect the working of hot water treatment plants which are now 29 compared to last year's three. Iran will decide about its future stance after going through the delegation's report.

Meanwhile, a delegation of Chinese quarantine officials is currently visiting Pakistan on to inspect the working of hot water treatment operations at the plants concerned, although there has been no unpleasant incident in their country regarding Pakistani mangoes. They visited three different orchards in lower Sindh to assess the quality of these facilities as part of a nationwide inspection drive.

China had earlier allowed imports of Pakistani citrus fruits and mangoes after being satisfied with cold and HWT facilities. Now they are inspecting a few more such facilities.

Operations of first red Chilli dehydration plant to start soon

The first red chilly dehydration plant of Pakistan, located at Kunri, will go into operation soon in the chilly growing belt of Sindh comprising Umerkot, Sanghar and Mirpurkhas districts. The Senate Standing Committee on National Food Security and Research discussed measures to operationalise the state-run plant.

Zeeshan Ahmed, project manager of the dehydration plant, stated that the Planning Commission of Pakistan while approving the project had left the option open to privatize the plant if it is unable to function in the public sector

"The plant needs a working capital though the operational cost of the plant is very low. The plant has the capacity to export red chilly and earn $100m annually," said Mr Ahmed. The dehydration plant has been established on two acres at a total cost of Rs244m against the original estimate of Rs272m under the Public Sector Development Programme (PSDP). At the time of approval, the Planning Commission had approved Rs23m for three years to meet the operational cost of the project. However, only Rs5m was released as seed capital to allow the plant to run on self-sustainable basis.

Due to the faulty mode of fund releases, the project originally scheduled to be completed in 18 months, was completed in five years in 2015. This led to cost escalation by 37%. From July to December, the plant will dehydrate red chilly while in the off-season it has in-built capacity to process other agricultural products such as onion, garlic, etc.

According to Mr. Ahmed the plant will serve as a 'common facility centre' for growers and traders of chilly and other agro products. The country's total current production of red chilly is 100,000 tonnes a year. Sindh' chilly belt contributes 90 %of the country's red chillies production.

One of the critical problems which have hampered Pakistan's export of red chilly is the level of aflatoxin in the crop. It is predicted to certify samples of chillies free from aflatoxin to promote exports. The usage of dehydration plant and dryers are the key technologies in the field of agriculture to overcome the problem of fungus. If chillies are dried immediately and completely after harvesting, the chances of aflatoxin are virtually eliminated.

Dates processing plants in Sindh

The date palm sector in Sindh is still said to be underdeveloped in terms of value addition modern date maturing process and cold storage facilities.

Some initiatives are said to be in the pipeline in the Khairpur Special Economic Zone (KSEZ) where incentives like one-time duty waiver on machinery import and 10-year tax holiday are being offered to investors setting up date processing plants.

At least half a dozen projects are planned to be set up in the zone for packaging, storage, dehydration etc, with at least one company hoping to start a dates maturing plant and cold storage before the upcoming date palm season.

According to company representative Fuad Keher around six acres are earmarked for each project, four acres for cold storage and two acres for crop maturing (dehydration) plant.

Growers have cultivated 15 different varieties on trial basis to boost their sales. They say that growers don't take interest in innovative techniques as they lack capital for it.

The TDAP official stresses on the need for the growers to adopt modern date farming techniques the way they have done in improving mango farming practices.

Approval for Citrus Development Board

The establishment of the Citrus Development Board (CDB) to improve citrus orchards, processing management and exports has been recently approved by Prime Minister Nawaz Sharif

The PM office has directed the Ministry of National Food Security and Research to take up the project through PC-1 and ensure its inclusion in the Public Sector Development Plan (PSDP) for fiscal year, 2016-2017.

The proposed board will function with the guidance and help of provincial and federal stakeholders. Projects will be conceived as per requirement to improve

citrus orchard and processing management. These projects will be prepared in collaboration with provinces and funds will be managed through the PSDP.

The ministry will approach the finance division and convince it for the endowment fund. Initial funds will be utilized for the establishment of the board. The operational funds will be obtained from provinces and the federal PSDP.

Under the terms of reference (ToRs) and scope of work, the board will take development initiatives like setting up of pack-house facilities, CA storages, QA labs and expo facilities, training and capacity building for growers, processors and farm labour, besides supporting institutions and departments on food farming practices.

Other initiatives include research and development activities such as developing new varieties for seedless and less seeded kinnow, disease-prevention and value-added processing.

The board will also conduct international price research and facilitate the determination of optimal prices, propose input regulations and legislations for certified nurseries. It will support and encourage citrus stakeholders to comply with different certificates, coordinate with federal and provincial ministries for promoting citrus in high-end markets through trade promotion and market awareness.

Pakistan exports waiting for policy intervention

With falling international prices and high cost of local production, with no serious effort to increase per acre yield, Pakistan's exports of agricultural commodities and agro-products remained low.

While the global commodity prices are beyond control, the high cost of production can be brought down to an affordable level of the average farmer.

A policy intervention is highly required by the government bring the sector out of this scenario without waste of time.

Pakistan has tried to reduce its reliance on primary commodity export but the diversification took place within a narrow range of products and markets. There has been little effort to promote food products made of wheat, sugar, rice, fisheries, poultry, fruit and vegetables, etc. Policymakers will have to abandon their traditional approach towards exports. They should concentrate more on export diversification in both products and markets.

On a positive note , currently, Pakistan is one of the leading exporters of food products and commodities to the UAE and other Gulf countries which do not produce wheat and other farm commodities and depend on imports. Pakistan has an opportunity to enhance its export of staple food commodities to these countries by offering competitive prices.

Pakistan's food-products exports touched $500m last year compared to $362.4m in 2012 and $400m in 2013. The UAE's global imports market is predicted to reach $7bn by 2020. As more than 60% of trade volume among Gulf countries is routed through the UAE, it will be an ideal re-export destination for the Pakistani food industry.

Rice remains the leading export item to the UAE and its sales have jumped 11-fold to $207.8m compared to the last two years. Meat and processed frozen food exports crossed the $100m mark over the last three years. Exports of fruits and vegetables have almost doubled in three years. Pakistan has not been able to export wheat because high domestic prices and low international rates, making it an unprofitable proposition.

A research firm, BMI International, says Pakistan remains an attractive market for consumer sales and food and beverage investment. The firm has forecast an annual 9.9% growth rate in food consumption until 2019.

Tax regime for poultry industry needs to be reviewed

In Lieu of the current scenario where the current taxation policy is hurting the consumers and poultry business, the poultry business seeks a review of this policy by the government. According to poultry farmers there should be a balanced taxation policy and no business or industry should be taxed disproportionately.

Till June 2013, the industry, free of import duties and taxes, grew between 8-10% annually for more than a decade.

But for the last two years, its growth has turned negative as the industry heavily loaded with the extent and depth of tax regime's severity by 16% duty (10% regulatory duty, 1% import duty and 5% normal import duty) on one-day old chicks imported for grand parenting.

In poultry, feed costs 70% of the input investment where the government has imposed 22.10% on soybean meal import. Almost 100% soybean is imported to produce quality poultry feed which includes regulatory import duty of 40%.

These taxes have naturally taken the cost of production up, making chicken meat and eggs expensive. Owing to high cost of production, industry sources say Pakistan has failed to create any export market for its poultry products.

Its exports remain negligible. Even in the domestic market, international fast food chains import chicken meat instead of procuring locally. Over 70% of the total poultry farming, 80%of egg production, 85% the feed production and bulk of the poultry processing units are located in Punjab. The industry consumes over 7m tonnes of agro-residues.

Review needed on export of fruits and vegetables

In 2014-15 PAKISTAN'S global exports of fresh fruits, vegetables and their value-added products stood at mere $671m. Main reasons behind this were lower yield, high cost of production, poor quality of produce, lack of new crop varieties and procedural flaws in taxes.

Another area of concern is the Smuggling of fruits and vegetables to the neighbouring countries. Exporters estimate that exports can fetch $6bn in the next 10 years if an incentive package is initiated in the upcoming budget.

All Pakistan Fruit and Vegetable Exporters, Importers and Merchant Association Chairman Waheed Ahmad said that potential of this promising sector has remained untapped. "We have given a comprehensive presentation to the prime minister recently on issues in developing the sector," he added.

In a detailed report, the association has listed short-, medium- and long-term measures to promote export from the sector over the next 10 years.

The untapped fruits for export include banana, guava, ber, cheeko, papaya and jamun. And the vegetables with export potential include bitter gourd, okra, tinda, gourd, cauliflower and eggplant.

In the identified value-added sector, major products are kinno juice concentrate, mango pulp, apple juice concentrate, apple puree. The exports of these value-added products were mere $4.2m in last fiscal year when the global trade in these commodities is more than $25bn.

The exporters association wants surveillance of land routes to control smuggling and extension in the utilization period of materials/goods under DTRE scheme to 24 months from current 12 months.

There is also a need to develop a policy on sanitary and phyto-sanitary (SPS) issues. Currently, there is no strategy in place to address the problems of standards, certifications and compliances for export of agriculture products.◆