

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Pakistan**

### **Grain and Feed Update**

#### **Pakistan: Grain and Feed Update**

**Approved By:**

David Williams

**Prepared By:**

Asmat Raza

**Report Highlights:**

The Government of Pakistan has set the wheat production target at a record 26 million metric tons for the 2015 Rabi (winter) season. Wheat yields are expected to benefit from earlier planting and subsequent root system development as farmers reduce cotton pickings in the face of low prices. Wheat area is not expected to change significantly from a year ago. Harvesting of the 2015/16 rice crop has been completed and initial reports suggest rice production will reach 6.9 million metric tons. During MY 2014-15, Pakistan exported nearly 4.1 million metric tons of rice.

## **Wheat**

The Government of Pakistan has set the wheat production target at a record 26 million metric tons (MMT) for the 2015/16 Rabi (winter) crop that will be harvested in May and June of 2016. Out of 26 MMT, Punjab is targeted to produce 19.5 MMT, Sindh 4.2 MMT, Khyber Pakhtunkhwa 1.4 MMT and Baluchistan 900,000 MT. Ninety percent of the crop is irrigated and water availability is estimated at 25.3 million acre feet (MAF) as against the average usage of 23.7 MAF for the entire Rabi season. Adequate irrigation water, fall rains, and good soil moisture have led to the timely planting of wheat across Pakistan. Low cotton prices have also prompted farmers to reduce the number of cotton pickings and move to plant wheat earlier. Wheat yields this season are expected to benefit from more time for root system development before the onset of colder winter weather. When cotton prices are remunerative, farmers often delay wheat planting beyond the optimal planting window. Wheat area is not expected to change significantly from a year ago.

The Government recently announced that it would keep the procurement price for the 2016 wheat harvest unchanged from 2015 at Rs. 1,250 per 40 kg (\$300 per MT). While Pakistan's wheat will continue to be quite expensive relative to the international market, the decision should keep local wheat from becoming dearer still. The domestic market continues to be insulated from imports by a 40 percent "regulatory duty." With a high tariff and high domestic prices, Pakistan continues to be isolated from the international wheat market. Exports of flour to neighboring Afghanistan continue at an estimated 700,000 MT of wheat equivalent annually.

## **Rice**

Harvesting of the market year 2015/16 rice crop is complete and initial reports suggest production reached 6.9 MMT, unchanged from the current USDA estimate. During MY 2014-15, Pakistan exported nearly 4.1 MMT of rice, slightly above the current USDA estimate of 4.0 MMT. In a recent development, Indonesia signed a memorandum of understanding (MoU) with Pakistan on December 8, 2015 to import 1.0 MMT of milled rice from 2016 to 2019. If successful, the deal could help to support Pakistan's exports of non-Basmati rice.

**Table 1: Pakistan Rice Exports MY 2014-15**

<b>Month</b>	<b>Quantity (MT)</b>
<b>Nov-14</b>	<b>459,419</b>
<b>Dec-14</b>	<b>490,371</b>
<b>Jan-15</b>	<b>419,153</b>
<b>Feb-15</b>	<b>355,747</b>
<b>Mar-15</b>	<b>472,357</b>
<b>Apr-15</b>	<b>360,446</b>
<b>May-15</b>	<b>263,044</b>
<b>Jun-15</b>	<b>214,434</b>
<b>Jul-15</b>	<b>155,570</b>
<b>Aug-15</b>	<b>240,629</b>
<b>Sep-15</b>	<b>263,368</b>
<b>Oct-15</b>	<b>372,630</b>
<b>Total</b>	<b>4,067,168</b>

Source: Pakistan Bureau of Statistics