

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

This report is the second installment of a regular series of reports that will provide short briefs on topics affecting agriculture and USDA development programs and marketing efforts in Pakistan. The report will draw from information obtained in local news papers and periodicals, meetings with Pakistani officials, and trips made throughout Pakistan and abroad. The Office of Agricultural Affairs invites any comments and suggestions about the report and how we can make it better.

General Information:

Foot and Mouth Disease Diagnosis Training: APHIS collaborated with the Food and Agriculture Organization and the National Veterinary Laboratory (NVL) of Pakistan to hold a two week FMD diagnostic training. The training focused on building laboratory capacity for rapid and accurate diagnosis of FMD using enzyme-linked immunosorbent assay (ELISA). Additionally, the technical skills developed in this course are applicable to diagnosis of other livestock diseases. The training was held at NVL and 25 laboratory veterinarians and technicians representing each province in Pakistan attended. This training is part of the USDA funded FMD eradication program in Pakistan. *Source: Office of Agricultural Affairs, Islamabad.*

Germplasm Preservation and Laboratory Biosecurity and Biosafety Enhancement Projects: USDA-APHIS recently attended a meeting in Istanbul with the Government of Pakistan (GOP) and the State Department Bio Engagement Project (BEP) staff. APHIS is working with BEP and GOP on two major programs: the Germplasm Preservation project and the Laboratory Biosecurity and Biosafety Enhancement project. The goal of the Germplasm Preservation project is to ensure long-term food security through preservation of crop lines unique to Pakistan. This preserved germplasm can be used to breed disease and pest resistance and increase food productivity in the future. Pakistan has unique varieties of apricots, bananas, chilies, tomatoes, and wheat that will be propagated, characterized, preserved in seed banks and living repositories, and shared with other gene banks. USDA APHIS and ARS are working with the Pakistani Institute of Agricultural Biotechnology and Genetic Resources to preserve these critical genetic resources. The Pakistan Biosecurity and Biosafety project is a three year program that will upgrade and improve the biosecurity and biosafety of animal health laboratories in Pakistan. The project will be implemented in three phases, starting with a laboratory needs assessment. Following these assessments, biosecurity and biosafety training and capacity building programs will help ensure laboratory staffs have the skills and abilities to safeguard dangerous pathogens. The final stage of the project is procurement of equipment and upgrading facilities. *Source: Office of Agricultural Affairs, Islamabad.*

Pakistani Food Retailers Bullish on Future: Agricultural Attaché and Agricultural Specialist traveled to Lahore, Pakistan to talk to several supermarket managers about the retail food sector in Pakistan. While the supermarket managers noted there are still many impediments to imported food products, real opportunities exist by tapping into growing demand from the rising middle and upper classes in a population of about 180 million. All the supermarkets chains visited stated they plan to expand their operations within the next year. Carrefour, the world's second largest retailer after Walmart, announced it is opening its second store in Karachi, two years after its first store opened in Lahore. The store will be part of the Hyperstar brand name used by Carrefour in several locations around the world. The company reportedly has invested \$25 million for their store in Lahore and committed \$15 million investment in Karachi. They have identified four more locations for Karachi and three for Lahore. Although starting out at a low base, U.S. food and beverage (f&b) exports to Pakistan soared by more than 50 percent in 2010 to just under \$100 million in sales, the highest f&b export level since at least 1970. Top U.S. exports were meat and poultry, dairy products, tree nuts and snack foods. While sales for these products are expected to remain strong, prospects are very good for a wider variety of food and beverage categories, particularly confectionary, juices and other "convenient" products. FAS Islamabad forecasts U.S. f&b exports sales will grow by another 20 percent in 2011. *Source: Express Tribune, Nov 10, 2011, the daily English Pakistani news paper and the Office of Agricultural Affairs, Islamabad.*

Raising the wheat support price in Pakistan: On November 27, the Government of Pakistan (GOP) decided to raise the wheat support price by Rs.100 per 40 Kg for the marketing year 2011-12. The official price now stands at Rs. 1, 050 per 40 Kg (\$301/MT), at which the GOP would procure wheat the next year. International wheat

prices have been down lately, owing to healthy carryover stocks and expectations of bumper harvest for MY2011-12. Besides, the Russian and Ukrainian wheat, trading below \$250 per ton, have captured the regional market. In this scenario, Pakistani wheat exports, currently priced above \$300 per ton are going to lose competitiveness in the international market. The Pakistan Flour Mills Association (PFMA) asked the federal government to withdraw the increase in wheat support price and focus efforts on controlling agricultural input prices. **Source: Business Recorder, November 28, 2011, the largest business daily English news paper and the Office of Agricultural Affairs, Islamabad contacts.**