

## Poverty & Food Security

### **UN Kick Starts Project to Improve Food Security in Pakistan**

The United Nations Food and Agriculture Organisation (FAO) initiated the Agriculture Input Distribution Plan 2010 on Monday under the FAO-EU Food Facility Project. The programme aims at combating rising food prices and improving food security for over a million needy people in food-deficient areas of the country. The European Union is contributing... 40 million to the project. "The assistance will play an important role towards enhancing agriculture productivity in the food deficient districts crucial for the sustainability of vulnerable rural households," FAO Liaison and Operations Head Ariella F Glinni said while addressing a gathering of farmers in village Khai of Chakwal district that marked the distribution plan for Kharif 2010. The project is being implemented by the FAO in association with the World Food Program (WFP). Project Manager Food Facility Dr Faiz said the EU food facility was the union's €1 billion (Rs 113 billion) response to the food crisis, showing Europe's commitment to helping poor countries boost agricultural production. The Project Manager said 7, 635 farmers had been trained, including 2,134 women, in improved agriculture practices, adding that 1,710 metric tonnes of wheat, DAP and urea, 136.78MT of lentil and 34,200 packets of vegetable seed had been distributed among farmers.

[Daily Times – May 18, 2010]

### **IFAD to Fund Poverty Alleviation Project**

The International Fund for Agricultural Development (IFAD) has agreed to finance a 52.5 million dollars project aimed at reducing rural poverty in southern Punjab and increase incomes of 80,000 poor households in four selected districts. The project will work in 40 union councils in the districts of Bahawalpur, Bahawalnagar, Muzafargarh and Rajanpur, where the total rural population is estimated at 8.3 million living in 1.4 million households. Specifically, the project is expected to assist with asset creation and introduce a range of technological innovations to enhance land productivity and fertility, reduce production costs and provide access to improved services and skills for the poorest communities.

The project is aligned with the National Poverty Alleviation Strategy and the Punjab government's economic development and poverty alleviation strategy. It is also consistent with International Fund for Agricultural Development Strategic Framework 2007-10 and the country strategic opportunities programme approved in April 2009. The project's primary innovation is the use of a poverty scorecard ranking methodology to more accurately identify target households. IFAD loan of 40 million dollars would be on highly concessional terms and the Fund's executive board was scheduled to give formal approval to the project in September. Livestock enhancement and agriculture development will be the two important components of the six-year project which will go into operation in November to be executed by the Punjab Planning and Development Department. The component of livelihoods enhancement will consist of an integrated package of funding for micro-health insurance, productive assets creation, skills development and access to community infrastructure and services. The aim is to lay a foundation for productivity enhancement and increase the incomes of poor households on a sustainable basis.

Statistics reveal that southern Punjab has a higher incidence of poverty than most agricultural production areas across the country, and also lags behind in terms of access to basic social services and infrastructure and human development. The target group will be landless casual wage labourers, small farmers, women and women-headed households. The recent increase in the international prices of food commodities has had a significant impact on Pakistans poor people. It is estimated that about 17 million people have joined the ranks of the 60 million people who are food insecure. And many more are at risk. About half of the country's population lives in a condition of food insecurity. Since 1978, International Fund for Agricultural Development has supported 23 programmes and projects in Pakistan with investments totaling 440.9 million dollars. The total cost of the organisation's programme in Pakistan is 2.10 billion dollars.

[Dawn – May 3, 2010]

### **Elimination of Subsidies ICCI Fears More People will be pushed Down Poverty line**

The Islamabad Chamber of Commerce & Industry (ICCI) has expressed concern over the government's move to eliminate subsidies on power tariff, fertilizers and sugar in the forthcoming budget. It termed it an unfavourable decision, especially in the given conditions, as it would further hike inflation and cost of doing business in the country. Chairing a meeting, Islamabad Chamber of Commerce & Industry President Zahid Maqbool said that

the business community is fully cognizant of challenges being faced by the government in improving revenue collection. However, he said, the better option of increasing revenue is to create an enabling environment for growth of business and industry rather than putting more pressure on the already distressed people. He said that inflation has already increased by more than 13 per cent after coming down to 8.9 per cent in October last year as the government phased out subsidies on electricity and adjusted prices of petroleum products. The new move would bring more miseries to people and dampen the growth of business activities. The participants of the meeting said that despite strong reservations of business community on VAT throughout the country, the government is all set to introduce this tax on July 1, which would create backbreaking inflationary pressure while ending of subsidies would push more people down the poverty line. They said that even developed countries provide subsidies to their people as well as to agriculture, production and export sectors in varying degrees and a developing country like Pakistan cannot afford to take such drastic measures.

[The News – May 25, 2010]

### **Food Security Ensured: Pakistan Produces 36.052m Tonnes of Food Grain**

Pakistan has ensured food security and produced 36.052 million tonnes of different kinds of food grains including wheat, rice, maize, barley, millet, sorghum, gram and mung etc. Agriculture Development Commissioner (ADC) Qadir Bux Baloch, who is going to retire today (May 4) told that the government took appropriate measures for improving agriculture of the country. He claimed that there would be no food security concerns even for the next two years. Explaining the details of 2009-10 crops production, the ADC said the country has about 24 million tonnes wheat production, 6.95 million tonnes rice production, 3.6 million tonnes maize production, 0.55 million tonnes other grains (barley, millet and sorghum) and 0.922 million tonnes pulses (gram and mung etc).

The ADC, who remained on this post since February 2005, claimed that total food requirement of the country was 28 million tonnes but at present the country had a surplus of 8 million tonnes different food grains. He favoured the announcement of Rs 950 per 40 kilogrammes (kg) wheat support price for the current year because it would result in bumper crop for the consecutive second year. Despite the shortage of rain during the months of November and December 2009, the wheat crops first estimate revealed about 23.87 million tonnes along with about 4 million tonnes carryover stock. About procurement of wheat in the current season, Baloch said till end of April 2010, the government so far procured 2.589 million tonnes. The break up of the procured wheat is; Punjab 1.202 million tonnes, Sindh 1.164 million tonnes, and PASSCO 0.222 million tonnes so far. The government has fixed wheat procurement target at 7.5 million tonnes for the year 2010 against the initial target of 6.5 million tonnes last year but later on procured 9.233 million tonnes.

According to schedule the procurement targets are; Punjab has to procure 4 million tonnes against last year's target of 3.5 million tonnes, Sindh 1.5 million tonnes while last year it was 1.20 million tonnes, NWFP and Balochistan have to procure 0.3 million tonnes and 0.1 million tonnes, respectively for the coming season. The procurement target for PASSCO has been fixed at 1.6 million tonnes in the current year against last year's initial target of 1.5 million tonnes. It is for the second time that the provinces would directly procure wheat in the market. Before this decision, the whole procurement was made through PASSCO. Baloch, who got Ph.D in Cotton and waste experience in agriculture, said when he became ADC, the cotton production was about 10 million bales but was leaving the ministry when it was getting 14 million bales cotton crop. "I am leaving the ministry with having 24 million tonnes wheat production, which was earlier 16 million tonnes," he maintained. Answering a question, the ADC said food security for Pakistan was not an issue but it was essential to provide enable environment and could not disturb market mechanism. Let open the market, and allow import and export of food items. There was great demand for Pakistani crops in Afghanistan, Iran and UAE but restrictions could not allow the farmers to get their due shares.

Good agriculture practices like water management, seed policy, and introduction of new technologies particularly crops maximisation technologies have boosted agriculture activities and production. Another official in the Ministry of Food and Agriculture said the government might soon provide a new assignment to Qadir Bux Baloch keeping in view his expertise in the field of agriculture.

[Daily Times – May 5, 2010]

### **Wheat Price Stability: Farmers at Variance with Food Department**

Wheat price in the open market seems to be stabilising around Rs875 per 40kg as reports from different parts of the province suggest, though it is still far below the officially declared line. In southern Punjab, the price ranges between Rs830 and Rs885 per 40kg, depending on the location of the sellers. It is between Rs850 and Rs900 in Faisalabad region and between Rs900 and Rs930 in and around Gujranwala. Officials of the Food Department claim these figures form an average price but the farmers say they show upper limit and are "scarcely quoted prices". They insist that the price in most parts of the province still remains below Rs850, barring a few exceptions being quoted by the department.

The point of debate between the farmers and the department seems to be figures of arrival at the procurement centres. According to the department officials, the declining arrival – from 150,000 ton last week to 100,000 ton this week – represents slide in production and means that the major portion of the crop has already been purchased. The farmers contest the official version, saying that these figures reflect the departmental attitude that is, squeezing the procurement through administrative and delaying tactics. Even arrival in south Punjab which is at least 15 days earlier than the rest of the province is still substantial (according to official record), they say, reiterating that the department is squeezing purchases and wants to get out of procurement before it runs out of money. Figures made available by the department say the total procurement has touched 2.293 million ton and the daily arrival has dropped to 109,692 ton and is sliding by the day.

Food Director Anwar Rashid said the role of middlemen remained a problem, especially because of farmers' backing to them. "It is farmers getting gunny bags and passing them on to the middlemen," he said. And that's what the department was trying to control right now, he said. He insisted that the wheat price was stabilising, though it was below the officially declared price. But, they had certainly improved in the last week. Given the decline in pace of wheat arrival, the department feels it may not even touch the figure of 3.5 million ton, leave alone the enhanced target of five million ton, says an official of the Food Department. If these figures are true, they show that the major quantity of wheat has shifted hands and the quantity arriving at the centres will soon drop to a negligible level. "Historically, the decline becomes steep once the arrival falls below 100,000 ton mark. In the last few days, the arrival touched 150,000 ton and came down to 109,692 ton. Last year, the maximum arrival had gone beyond 250,000 ton a day. The figure also shows reduction in production this year," he says. The farmers, however, allege that the departmental calculations about the final figure are nothing but a matter of mindset. The department plans to terminate procurement around 3.5 million ton because that is what they got money for. It will also keep the total stocks around six million ton which is easily manageable compared to eight million ton if the department purchases five million ton this season. The entire departmental planning is thus heading for a pre-calculated figure and the rest is being managed accordingly, they say.

[Dawn – May 10, 2010]

### **Achieving Food Security by Enhancing Fertilizer Use**

Fertilizer plays a pivotal role in ensuring food security and prosperity of the rural agriculture sector. This sector contributes 22 per cent to the country's gross domestic product (GDP) and employs 43 per cent of the labour force. The high growth in agriculture with increase in food security is highly dependent upon the increased use of balanced fertilizers. Fertilizer is a basic agricultural input that contributes to increased crop productivity. The contribution of balanced fertilization towards increased crop yields is from 30 to 60 per cent in different crop producing regions of the country. Agricultural soils in the country are deficient in phosphorous and almost 30 per cent in potassium. Widespread deficiency of micronutrient is also common in several areas. There is an improper use of fertilizers, particularly in terms of application of a large amount of nitrogen in relation to phosphate.

A large quantity of fertilizer has been used on irrigated wheat, cotton, sugarcane and rice. On these crops the use of nitrogen (urea) fertilizer by farmers is about 78 per cent, phosphate (DAP) is 21 per cent and only 1 per cent potash. Phosphate and potash fertilizers are imported, expensive, and infrequently used by the farmers. There is a widespread concern that only the consumption of nitrogen has increased, leaving the use of nutrients at a very low level. Since crops take the necessary nutrients mainly from soil resources, a depletion of these resources can be termed as soil mining. Fertilizer requirements are met from both domestic production and imports. Farmers have little knowledge of using fertilizers effectively and judiciously. The disproportionate use of fertilizers by farmers has not only resulted in low crop production and yield, but has also affected soil nutrient deficiencies. Farmers promote the unbalanced use of fertilizers by using a large quantity of urea to make their losses. The gas crisis and non-availability of urea at the right time to the farmers by the government is increasing urea shortage in the country.

Farmers mostly use urea fertilizer because it is cheaper than other fertilizers. It provides vegetation growth. On the other hand, it attracts insects and vegetation. They should balance this with DAP fertilizers for improving reproductive qualities of plants, strengthening roots and developing resistance against insects and diseases. Price mechanism plays an important role in the unequal use of fertilizers. Farmers' decisions on how much fertilizer to use on a certain crop is linked to the price of that particular commodity. The governments have in the past withdrawn subsidies on fertilizers and then taxed them. The present domestic production of urea is about 5.5 million tons as compared to last year's 4.2 million tons. About 60 per cent is consumed in the Rabi season. The agriculture sector depicted a 4.7 per cent growth in 2009 as compared to 1.1 per cent witnessed last year. Consequently, the fertilizer demand too increased substantially as compared to last year. Urea, in particular witnessed an 18 per cent year-on-year growth during the year ended 2009. Substantially a large quantity of 1,560 kilo tonnes urea was imported by the country in 2009, which was the highest ever. Due to the fact that the government has not wholeheartedly implemented the fertilizer policy of 2001, the country is presently facing a shortage of urea and slow growth of agriculture sector. Pakistan should enable itself to become self-sufficient in domestic urea production. This would also assist in exporting urea to finance the import bill of DAP fertilizer. To maintain self-sufficiency in indigenous production of urea the domestic urea production needs to be doubled from the present production of 7.5 million tonnes to 15 million tonnes in the next five years. This will give a boost not only to the agriculture sector, but also to the industrial sector. In this context the available gas resources for urea production must be administratively well organized. The government must formulate a comprehensive policy as early as possible to encourage investment in the fertilizer sector. Furthermore, chemical fertilizers should be used judiciously along with organic and bio-sources for surplus crop production. All these measures would help immensely in enhancing food security in the region.

[The News – May 10, 2010]

### **Fruit and Vegetable Prices Surge by 25 to 30%**

In the wake of fresh increase in rates of diesel and petroleum related products announced by the government, an increase ranging from 25 to 30 percent was witnessed in prices of all kinds of vegetables and fruits in the wholesale and retail markets of Karachi. It may be recalled here that vegetables and fruits consumption of around 20 million population of Karachi is catered through supply from Sindh Interior, Balochistan and areas of Punjab province bordering Sindh. Approximately around 14 to 15 thousand tonnes of fruits and vegetables arrive Karachi Subzi Mandi, situated along Super High way via 700 to 800 trucks providing around one lacs of the population to earn their livelihood through this trade. However, the unjustified upward revision in the prices of petroleum products specially diesel, which is used by majority of transporters, has spelled adverse consequences as far as rates of all vegetables and fruits are concerned. Already rates of onion, garlic, ginger, green chilies and onion are on higher side and the fresh enhancement in prices of petroleum products without any significant increase in their rates in the international markets, has spelled serious hardship for poor segment of the population. Haji Shahjahan, President Wholesale Vegetable Welfare Association, Subzi Mandi Karachi acknowledged about inflated rates of all fresh vegetables and fruits which have started arriving the wholesale markets during the last few days terming the increase as a sequel of upward revision in prices of petroleum products. There would be double-edged increase for consumers of Karachi as not only transporters from across the country have enhanced their transportation charges but the owners of suzukis and other modes of transport which carry vegetables and fruits from Subzi Mandi to different areas of Karachi have also started charging higher rates. Citing instances in this regard, he claimed that previous month, transport charges for vegetable and fruits from Sindh Interior stood in the range of Rs 10,000 to 12000 per trip but under the pretext of fresh increase in petroleum prices, an upward revision was for one side trip, which now stands at Rs 15000 to 18000. Similarly, from Punjab and Balochistan, transporters charged Rs 25000 to 30000 for each trip to Karachi but now they have enhanced their rates to Rs 40000 to 45000, which is likely to have adverse impact on prices of all varieties of fruits and vegetables. He apprehended that from now on almost all fresh vegetables and fruits would be available to consumers at such rates which would be a burden on their monthly expenditures compelling them to divert their income earmarked for other expenditures.

[Daily Times – May 5, 2010]