

## Poverty & Food Security

### Domestic Context

#### **Poverty and Hunger on the Rise in Pakistan – II**

An official document said that during this period gas tariff increased 30 percent, power 34 percent and prices of petroleum products increased 27 percent. The core inflation, non-food and non-energy, grew by 14.7 percent on yearly basis, 2009. House rent index grew 16.23 percent, transport and communication 8.80 percent, education expenses 15.50 percent and health expenses also increased 7.80 percent. The worst sufferer – poor and middle-income people whose income is in between Rs 3,000 to Rs 7,000 – had to bear inflationary pressure of 63 percent. During three years the prices of wheat and sugar rose to 80 percent, prices of these commodities are fixed by the government. An analyst predicted that if the government does not take immediate measures to control food prices inflation they may set a new record by the end of 2010.

It was suggested that the government stop giving subsidy on wheat for two years and impose a ban on wheat export. There has been a strict check on quality of imported fertilizer. On the other hand, the new Governor of State Bank of Pakistan, Shahid H Kardar, said that there is lack of monetary discipline – which is the biggest challenge for the economy. If the country's monetary system is put on the right track it would definitely help reduce pressure of the government's borrowings on economy, reduce inflation and ease the burden of poor. The value of Pakistani currency has decreased almost 33 percent in 30 months. The value of Pak rupee is expected to further reduce both in the interbank and open markets in the coming days. The result of this unofficial devaluation would be a rise in prices of goods, cost of production and increase in inflation making people hungrier in Pakistan. There are indications that the growth rate during fiscal year (FY) 2011 would be far lower than estimated, the budget deficit would increase further and the inflation rate may double the target of 9.5 percent.

[Daily Times – November 02, 2010]

#### **Price Raised by Rs30 in Less than a Month**

**Traders said that sugar prices have gone up by around Rs30 in the market in less than a month over the past two weeks in the provincial capital.** The price of a 50 kilogramme bag of sugar, which was Rs 3,900 in the wholesale market towards the end of the October, has now raised to Rs 5,250- an increase of Rs 1,350 per bag. Retail prices of the commodity which was previously available for Rs 80, has now reached to Rs 110. However, dealers predict that prices will come down as no one is willing to buy commodities at these high prices. However, the projection of prices for the month of December shows that prices will come down to Rs 90, after new produce arrives in the market.

[The Express Tribune – November 10, 2010]

#### **Prices of Essential Commodities Increase**

**Retail prices of most essential commodities, including sugar, fresh milk, ghee and edible oil have increased in the city (Karachi).** Wholesalers and retailers of groceries have adopted a new tactic to escape the government's wrath for selling sugar at prices higher than the officially fixed rate at Rs71 per kilogramme. They are offering two different qualities of sugar with varying prices. The powdered form of sugar is being sold at Rs72 per kg while the sugar in its tiny crystalline form costs Rs95 per kg. The retailers blamed the wholesalers for this tactful manoeuvre to continue profiteering and deceiving the authorities simultaneously. Karachi Wholesale Grocers Alliance Chairman Anees Majeed told The Express Tribune that the government had fixed sugar prices at Rs71 per kg but it did not have any indigenous sugar and the sugar brought to the market was imported, which is normally in powdered form. Henceforth, the Rs71 per kg was the price of imported sugar and not of the locally produced commodity.

#### **Milk**

Prices of fresh milk have escalated to Rs58 per litre and gone to as high as Rs60 per litre in some areas. However, around 20 per cent of milk retailers display banners highlighting prices at Rs40-45 per litre.

### **Ghee and Oil**

Ghee and edible oil prices have also been hiked twice this month. A wholesale ghee depot owner said that his company's representatives had received bulk orders for the supply of ghee and edible oil just a day before Eidul Azha. However, the top two ghee manufacturers declined to supply the stock according to the order and said that the supply will only be ensured under increased prices.

[The Express Tribune – November 24, 2010]

### **Power Tariff to Go Up By 17.6 Percent**

A senior official at the Ministry of Finance said on November 01 that a 17.6 percent increase in power tariff is likely in the remaining eight months (November-June) of the ongoing fiscal year as the government has given an assurance to the International Monetary Fund (IMF) that it would increase the power tariff by 2.2 percent each month to achieve its target by end of June 2011, Pakistan's economic managers and an IMF mission completed the review of the macroeconomic policies for 2009-10 and outlook for the ongoing fiscal year with a note that policies should be aligned according to the latest developments to meet growing economic challenges. Federal Finance Minister Dr Hafeez Shaikh, State Bank of Pakistan (SBP) Governor Shahid Hafeez Kardar, Planning Commission Deputy Chairman Dr Nadeemul Haq and other officials from the Finance Ministry and SBP officials participated in the meeting that undertook the review. Official sources said that the IMF authorities have also made it clear that the road map for curtailing power sector subsidies and increase in power tariff should be implemented in a manner which helps reduce loss of income in the power sector. IMF authorities said that recovering electricity charges was essential to bridging the growing gap of Rs 250 billion between power supplied and charges recovered through utility bills. The authorities acknowledged that increasing power tariff by 2 percent at the start of each month would help reach a 16 percent increase while a 2.2 percent rise would definitely help achieve the desired results.

IMF authorities have expressed concern over government's excessive borrowing from the SBP; however, they have also acknowledged the difficulties posed by the delay in release of funds by the Friends of Democratic Pakistan and Coalition Support Fund. The meeting was of the view that curtailing government borrowing through effective expenditure management, measures to have a check on rising inflation coupled with tax and power sector reforms was needed to meet the growing challenges.

[Daily Times – November 02, 2010]

### **CM Punjab Wants Vegetable Prices Halved in 3 Months**

Punjab Chief Minister Mian Shahbaz Sharif on November 22 directed the officials concerned to develop a comprehensive system for provision of vegetables to the common man at half price during the next three months. The CM was presiding over a meeting for increasing vegetables production and provision of vegetables to the poor at reduced prices. He said vegetables were beyond the reach of the middle class and prices of onions and tomatoes were skyrocketing. He said we had to take steps to provide quality vegetables on low prices to the common man. He said kitchen gardens and vegetables planting were long-term projects of the Agriculture Department but he wanted a system in place immediately for providing vegetables to people at half prices within 90 days. Shahbaz said that in the first phase, eight vegetables, including onion, tomato and carrot, should be selected and the prices of these vegetables would come down when they would be available in ample supply in market.

[The News – November 23, 2010]

### **High Court Seeks Report on Sugar Crisis, Hoarding**

The Lahore High Court (LHC) on November 12 sought a report and detailed reply from the federal and Punjab governments on rocketing sugar price and hoarding of other essential items. Justice Sheikh Azmat Saeed issued this order while hearing a constitutional petition filed by Ahmad Imran Ghazi, and adjourned further hearing till Nov 22. Advocate Muhammad Azhar Siddique, while representing the petitioner, argued that politicians and sugar mills' owners were responsible for the price hike and artificial shortage of sugar. He said the federal and provincial governments were deflecting blame for the crisis on each other and the sugar mills had maintained fake records of stocks.

[Dawn – November 13, 2010]

### **Govt Trying to Boost Per Acre Production of Major Crops**

Federal Minister for Food and Agriculture on November 05 informed the National Assembly in a written reply that the government is taking various measures to increase per acre production of major crops so as to ensure future

food security. The House was also informed that per acre/40 kg production of wheat was 26.39, cotton 23 and rice (milled rice) 16 at the moment. The government ensured timely availability of inputs like seed, fertilizer and pesticides/herbicides. Efforts were being made to ensure the supply of credit to farmers at the time of sowing so as to achieve the sowing targets on time. The farmers were advised for judicious use of water and micro management of irrigation water at local level through coordination of Irrigation and Agriculture Departments. The House was informed that the Pakistan Agriculture Research Council (PARC) chairman was not providing proper answer regarding a query sent by the parliamentarians and always pleaded that he was busy. Deputy Speaker Faisal Karim Kundi asked Federal Minister for Law and Justice Baber Awan to check the position of the PARC, who got extension despite the fact his tenure had already expired. The Law Minister assured that he would probe the issue and inform the House soon.

[Daily Times – November 06, 2010]

### **Provision of Sugar on Reasonable Rates Finalized: Shahbaz**

Punjab Chief Minister Shahbaz Sharif has said that arrangements have been finalised for the provision of sugar to the people at a reasonable rate and sugar will be lifted directly from Karachi port. He said that provincial food minister has been sent to Karachi while train and trucks have also been arranged for the supply of sugar to different parts of the province. The chief minister directed that sugar mills to start crushing season before Eidul Azha at any cost. The chief minister said that 15,000 tonnes of sugar will be provided to the people daily during the first five days, and transport has also been arranged for this purpose. He said that there should not be any shortage of sugar during Eidul Azha holidays and its abundant supply in the markets should be ensured. He said that legitimate profit is the right of the dealers but the interests of the common man also have to be safeguarded and the sugar price should be fixed after keeping in view all expenditures.

[Daily Times – November 10, 2010]

### **35,000 Tonnes Sugar Reached Punjab**

Provincial Minister for Food Ch Abdul Ghafoor has said that 35,000 ton sugar has reached Punjab from Karachi whereas remaining quota of sugar will be lifted from TCP godowns by next week. He was addressing a meeting of officers of TCP and Food Department Punjab at TCP godown at Pepri Karachi. Senior officer of TCP Safdar Hussain Barlas giving briefing to Provincial Minister highlighted various problems with regard to availability of transport and loading of sugar to Punjab from godowns. Provincial Minister directed the officers not to show any negligence regarding supply of sugar and sugar should be supplied to Punjab on time by resolving all problems including transport. He stressed upon the Food Department Punjab to submit him a report with regard to supply of sugar from Karachi and its consumption in Punjab.

[The News – November 28, 2010]

### **Flour mills: Higher Wheat Supply Demanded**

**The Pakistan Flour Mills Association (PFMA) has urged the government to enhance the release of wheat to the mills in order to ensure a smooth supply of flour at affordable prices in the open market.** At a meeting, vice chairman of PFMA, Khwaja Rehan Anjum said that the Punjab government was creating hurdles in the way of millers and the common man by reducing wheat quota for the mills. He demanded that the flour mills of Rawalpindi and Islamabad should be provided with 34,000 bags of wheat for a smooth supply of flour. He added that the government was providing only 17,000 bags. He said that the Food Department intended to cut down the quota to 8,000 bags, which would force the millers to increase the price of a 20kg bag up to Rs595.

[The Express Tribune – November 24, 2010]

### **Wheat Sowing on Less Area in Punjab this Year**

Punjab Agriculture Minister Malik Ahmad Ali Aulakh has said that 16.88 million acre area would be brought under wheat cultivation in the province this year compared with last year's 17 million acres. Talking to newsmen at Fatehpur in district Layyah, he said sowing had already begun in the province. He said Punjab's production target had been set at 19.205 million tons this year. Last year's production stood at 17.9 million tons. Wheat was being sown in the country with expectations that it would cover 22.34 million acre area this Rabi season, Aulakh said. Wheat production target for the Rabi season 2010-11 has been set at 25 million tons, some 1.5 million tons above the assessed national food requirement at 23.5 million ton.

[The News – November 11, 2010]

### **Export of wheat, its products: Minister Pledges Sympathetic View of Millers Issues**

Federal Minister for Commerce Makhdoom Amin Fahim has assured the flour millers of a sympathetic consideration to all their issues regarding export of wheat and its products, especially in view of presence of surplus stocks in the country. Speaking to the central executive committee of the Pakistan Flour Mills Association (PFMA) on November 13, the minister claimed the PPP government assigned high priority to improving economy and providing maximum facilities to the masses. Earlier, PFMA central chairman Asim Raza dilated upon different problems being faced by the flour milling industry. There were over 1,000 flour mills in the country, with an investment of over Rs50 billion. The number of mills was four to five times more than the requirement of the country. He proposed to the authorities concerned to stop allowing new flour mills, except for those already in the pipeline. He said over 70 per cent of industry was shut at the moment, which, if made operational, could be utilized for revenue generation and employment creation. He suggested that huge surplus wheat stock was available in the country that must be exported. The government should subsidise loans for millers so that they could grind wheat and export it. The government will recover this amount in shape of taxes when the closed section of this industry becomes operational.

[Dawn – November 14, 2010]

### **EU Firm to Ensure Food Security in Pakistan**

The Europe Aid Director for Asia and Central Asia, Dirk Meganck has said that European Union (EU) will continue its support for combating rising food prices and ensuring food security in Pakistan. He distributed large quantities of wheat seed, fertilizer and winter vegetable seeds among the small-scale male and female farmers of village Karsal. The purpose of these distributions is to ensure that timely Rabi planting take place in the flood-hit Pakistan where the standing crops over 2.4 million hectares got washed away by the recent disastrous floods. A number of agricultural lands were also visited by the delegation where farmers were planting wheat seeds with the help of the farm machinery provided by the EU Food Facility and FAO. The Rabi package distribution is a part of the 40 million euros Food Facility Project, which aims at combating the rising food prices in Pakistan. As a part of the EUFF initiative, the beneficiaries including small-scale farmers owning two to four hectares of land and the women who head households are receiving the Rabi Package which includes a 50 kg bag of wheat seeds, a 50 kg bag of urea, 50 kg DAP and vegetable seeds for tomato, turnip, spinach and peas — for producing adequate grain for their household consumption. FAO United Nations and WFP have been implementing the EU Food Facility since May 2009 and the “facility” currently supports over 161,000 households of small-scale farmers in 17 districts most vulnerable to food crisis in the country. The average landholding of these farmers is 2 to 4 acres of land. In Punjab it focuses on districts Chakwal, Multan, Dera Ghazi Khan and Sahiwal. The delegation also visited the Kitchen gardening plots where women farmers planted various vegetable with the support from the EU Food Facility Project and also observed training provided to them. They interacted with the women and expressed satisfaction over the positive outcome of the programme.

[Daily Times – November 20, 2010]

### **Concern Voiced over Looming Threat of Food Insecurity**

Farmers and civil society organizations have voiced concern over a looming threat of food insecurity. They said that four to eight feet silt and mud accumulated in the aftermath of flash floods left more than 30 per cent land uncultivable, which would have serious impact on food production. Speaking at a workshop organised by the Sustainable Agriculture Action Group (SAAG) and Pakistan Kissan Ittehad (KPI) on November 24, they said relief measures announced for the agriculture sector remained inadequate. Later addressing a press conference, they said that the recent floods were a big disaster in the history of Sindh which left 32,000 villages damaged, more than 3.5 million acres of agriculture land barren, 1.1 million houses destroyed and thousands of cattle dead. Relief measures announced was an eye wash because it did not include livestock and poultry components. They alleged that tenants' names were not included in the beneficiaries list that was tantamount to marginalizing the already impoverished community of farmers. Similarly, no measures had been taken to resolve land demarcation issues that might have serious repercussions on land re-cultivation project. Describing the agricultural relief package as incomplete, insufficient and inappropriate, SAAG and PKI representatives proposed a long-term farm rehabilitation programme. They said that the government should immediately extend a food support programme for the next six months. They said that women and small farmers should be made an integral part of the relief package by making them responsible for its preparation, implementation and monitoring. They added that farmers had no idea about government plan for rehabilitation. They demanded that apart from waiving off agriculture loans for small-land holders, immediate steps should be taken to free poor tenants of landlords. They also stressed for

inclusion of “cash for work” and “kitchen gardening” projects in the relief package and demanded livestock and poultry items for farmers.

[Dawn – November 25, 2010]

## GLOBAL CONTEXT

### **Food Prices Increased Considerably: FAO**

A new report of the UN Food and Agriculture Organisation (FAO) said that food prices in the country, which have risen considerably over the past two months, are currently about 10 per cent higher than in August. The report attributed the rise to higher demands from Afghanistan and uncertainties about the sowing of Rabi crop because of the damage caused by recent floods. The report on global information and early warning system on food and agriculture was published on November 10. It said that in Pakistan prices of wheat which had remained stable immediately after the floods, increased in September and October. The increase in prices has been more pronounced in the main producing region of Punjab. With improved second consecutive bumper wheat harvests this year, retail prices of wheat in major cities have come down from a peak of about Rs29 per kg two years ago to about Rs26 in October this year. They are still significantly higher than the prices before the 2008 food crisis. Rice prices have also been rising in recent months after remaining stable for some time. The report cautions that the price impact on overall food consumption of the vulnerable population is expected to be substantial. The report said that the overall food supply situation in Pakistan was satisfactory following the two good harvests.

[Dawn – November 11, 2010]

### **Bangladesh - Farming the Flood**

As one of the largest deltas in the world, Bangladesh has always suffered from floods, cyclones, and storm surges during the monsoon season. But with changes in the global climate, flooding and riverbank erosion are becoming more severe as rainfall rates change and the sea level rises. With lives and livelihoods increasingly under threat, adaptation is essential if vulnerable communities are to cope with their changing environment. Bangladesh is one of the most densely-populated countries in the world, forcing many of the poorest to live on unstable riverbanks and flood-prone areas: more than 100,000 people are forced to move each year as their villages and livelihoods are washed away. In 2004, flooding across two-fifths of the country destroyed almost four-fifths of the crops leaving ten million homeless. Located at the meeting point of the Brahmaputra and Tista Rivers, Gaibandha District, in the north of Bangladesh, is particularly susceptible to flooding and riverbank erosion during the annual monsoon season. "The communities I work with are keen to find a way to adapt to their changing environment," says Nazmul Chowdhury, Practical Action's project officer in Bangladesh. Despite their precarious situation, he adds "they are not sitting back and waiting for help." Floating gardens and pumpkin cultivation are just two innovative projects that Practical Action, an international NGO, has developed in partnership with local communities to help them adapt to riverbank erosion and flooding by strengthening their livelihoods.

#### **Floating Gardens**

The floating garden, for example, allows farmers to grow food on flooded land, as well as ponds, canals and other water courses. Simple and relatively inexpensive, an eight by one meter raft is constructed from water hyacinth, a common weed found in many parts of Bangladesh. A layer of soil, compost and manure is then placed on the surface of the raft, in which vegetables such as gourd and okra are planted. The rafts only last one year, but old ones are often used as compost for growing crops in the following dry season. Tare Begum lives on a flood embankment on the Brahmaputra river and, in the past, has struggled to grow enough food for her family on the infertile and flood-prone land. But, after receiving training on vegetable production and floating garden construction, enough food was produced to feed her family and the surplus sold at market to provide a profit. "This has made a great difference to my life," she explains. "Now I have enough food during the wet season and I can give some to help my relatives as well."

#### **Picking Pumpkins**

When the waters subside, silted sand plains are left behind. These 'char' lands are infertile, but 'sandbar cropping' is a simple, innovative and very low-cost option: four vegetable seeds are planted into a deep pit in the sand, which is filled with compost. Pumpkins have proved to be particularly suited to these conditions; not only do they yield well but they can also be stored, providing food and income throughout the year. In 2008, over 1,300 families benefitted from adopting sandbar cropping and more than 160,000 pumpkins were harvested, generating a market value of about US\$2 million. And yet each pit costs just 40 cents (32 taka) to prepare, including labour,

seeds, manure and compost. "The opportunities and the technology are a blessing for us," Saiful Islam remarks. "It has opened our eyes to see a better life and a new hope to live." Initially, Islam cultivated 50 pits after receiving training and seeds, but then increased this to 433, growing almost 4,000 pumpkins worth more than US\$2,000. Now he is passing on this knowledge to support other landless farmers in his area.

### **Building on Success**

In order to maximise the impacts of these projects, people are shown how to store and market their excess produce, enabling them to maximise return on investment. Islam, for example, used the profit he made to lease land and invest in fish production and beef fattening. Like Islam, selected people are trained to pass on their new skills to other members of their communities, enabling them to benefit from the technologies and circulate them to a wider area. Floating gardens and pumpkin growing have directly benefitted more than 100,000 people so far. But this has not been easy: at first, many men were wary about women becoming involved with these projects but, after holding focus groups and working with communities and local authorities to demonstrate the benefits, almost 70 per cent of the beneficiaries are now women. While these initiatives are helping people to cope with the changing environment, "adaptation alone is not the answer," Chowdhury warns. "The stark reality is if the world's poor are not put at the heart of the debate at Copenhagen, those contributing least to the problem will continue to suffer from the devastating effects of climate change."

<http://www.new-ag.info/focus/focusItem.php?a=941>

