

Chapter20 | FOOD SECURITY AND AGRICULTURE DEVELOPMENT

Agriculture sector is a vital component of Pakistan's economy. It provides raw material to industry, food and livelihood besides alleviating poverty. This sector contributed 19.8 per cent towards GDP and remains by far the largest employer by absorbing 42.3 per cent of the country's total employed labor force (Economic Survey, 2015-16). Last years' slowdown and commodity price downturn in international market have serious fallout on rural economies, i.e., low returns to farmers from the proceeds of their commodities due to high cost of production and low demands for exports. This called for well-thought interventions to improve farmer's investment capacity to invest in optimum mix of inputs for getting higher yields, value addition at the farm levels and industrial linkages.

Prime Minister's Rs.341 billion farmer's package provided relief to the sector with direct cash assistance to rice and cotton growers, subsidy on fertilizer and electricity and tax relief on import of machinery. The package provides a direct benefit of Rs147 billion to small farmers across the country and an additional loan of Rs194 billion. The government of Punjab on the same pattern announced Rs100 billion Kissan package for 2016-17 and 2017-18 covering fertilizer subsidy, interest payment on farmer's loans, subsidy on GST of electricity driven tube wells, etc. Both Pakistan Vision 2025 and 11th Five Year Plan have focused on improvement of agriculture and food security situation. Agriculture has been given a priority for investment in the long-term plan of CPEC.

Performance review 2016-17

During 2016-17, growth of agricultural sector and situation regarding food security remained satisfactory. From very poor performance of last year's revised growth of 0.27 per cent, agriculture achieved a growth rate of 3.5 per cent. Contributions from sub-sectors are given in Table-1. Government focus towards agriculture in the last budget has paid off in the form of high growth rate on one hand while improved food security situation and boost in rural economy on other (Box-1).

Table-1
Growth rate of agriculture sector (%)

Item	2015-16 Revised	2016-17		
		Target	Achievement	Share in GDP
Important Crops	-5.47	2.5	4.12	4.7
Other Crops	0.59	3.2	0.21	2.2
Cotton ginning	-22.12	2.5	5.59	0.5
Livestock	3.36	4	3.43	11.4
Fisheries	14.31	3	14.49	0.5
Forestry	3.25	3	1.23	0.4
Agriculture	0.27	3.5	3.46	19.5

Source: Pakistan Bureau of Statistics

Box-1**Measures for revival of agriculture sector in federal Budget 2016-17**

Keeping in view the difficulties faced by the agriculture sector the Government decided to take special steps in the financial year 2016-17. Details are as under:

- Concessions of taxes and duties: Tax and duty concessions announced in Budget 2015-16 will continue in 2016-17 amounting to Rs15 billion.
- Reduction in prices of fertilizer: From 1st July 2016, the Government has decided that the price of urea is further reduced to Rs1400 per bag. In this instance, just as in the past, the Federal and Provincial Governments will pay the cost of the subsidy, which will be Rs36 billion, in equal shares. Similarly, use of DAP is very important for improving agriculture productivity. The current price of DAP is Rs2800 per bag. The Government has decided that with effect from 1st July 2016, the price per bag of DAP will be Rs2500. Federal and Provincial Governments will pay the cost of the subsidy, which will be Rs10 billion, in equal shares.
- Enhancement in the target of agriculture credit: For 2016-17 volume of agriculture credit target is being increased to Rs700 billion.
- Reduction of cost of credit: The Government through SBP has developed a framework to reduce mark-up rates of ZTBL, NBP, Bank of Punjab and Punjab Co-operative by 2.0 per cent.
- Credit Guarantee Scheme: Under this scheme, the Federal Government is sharing risk of non-payment of credit by small farmers by guaranteeing up to 50 per cent of the financing by participating financial institutions.
- Concessional electricity tariff for Agriculture Tube Wells: From 1st July 2016, current rate of off-peak rate of Rs8.85 per unit for Agriculture Tube Wells is being reduced to Rs5.35 per unit. For this special concession, the Government will bear expenses of around Rs27 billion.
- Concession of customs duty for Dairy, Livestock & Poultry Sectors: The rate of 5 per cent for import of machinery for the dairy, livestock and poultry sectors is proposed to be reduced to 2 per cent. Incubators and brooders and machinery for animal feed stuffs presently subject to 5 per cent customs duty in Tariff is proposed to be reduced to 2 per cent.
- Concessions of Customs Duty for Fish Farming: Customs duty on import of fish feed pellet machines and water-aerators, be reduced from 5 per cent to 2 per cent. Fish feed is subject to 10 per cent customs duty whereas shrimp feed is at 20 per cent. The duty on import of fish and shrimp feed is proposed to be exempted. Similarly, customs duty on live baby fish that is subject to 10 per cent is proposed to be removed.
- Relief on Cool Chain Machinery: For processing of food, customs duty on cool chain storage and in related capital goods will be exempted.
- Exemption of Sales Tax on Pesticides: Pesticides and its ingredients are chargeable to sales tax at reduced rate of 7 per cent. This 7 per cent sales tax rate is proposed to be abolished.
- Exemption to Silos: Exemption to machinery and equipment for the development of grain handling and storage facilities is proposed to extend to silos.

Support price for wheat has been kept at Rs1300 per 40 Kg for yet another year (2017) and a procurement target of 7.05 million tonnes was set with a financing of Rs 225 billion despite the fact that wheat availability with the public sector before the start of the season was around five million tonnes. Government has been trying to offload the surplus wheat in the international market but with little success due to low prices. Similarly the sugar surpluses have become a problem and despite providing heavy subsidy the stocks are becoming unmanageable for the industry. The situation for pulses and edible oil, however,

was unsatisfactory and low productions pushed to make imports. Food trade balance skewed towards imports (US \$ 3.99 billion) compared to exports (US\$ 2.57 billion) in first nine months of the 2016-17 despite huge subsidies. Food inflation in 2016-17 was calculated at 3.9 per cent compared to 2.1 per cent in 2015-16 from the period July to April.

The Global Food Security Index (GFSI) considers the core issues of affordability, availability and quality & safety across a set of 109 countries. The index is a dynamic quantitative benchmarking model, constructed from 28 unique indicators that measure these drivers of food security across both developing and developed countries. The overall score and ranking based on GFSI for some global and regional countries is presented in the Table-2.

Table-2
GFSI (Overall score and ranking)

Country	Ranking	Score/100		Score Change
		2015	2016	
China	42	64.2	65.5	1.3
Sri Lanka	65	53.7	54.8	1.1
India	75	50.9	49.4	-1.5
Pakistan	78	45.7	47.8	2.1
Nepal	82	40.5	42.9	2.4
Bangladesh	95	32.4	36.8	4.4

Source: *The Economist, Intelligence Unit 2016*

The yearly comparison of GFSI overall score of Pakistan, Bangladesh, Nepal, China and Sri Lanka indicates improvements in food security during the year 2016 as compared to 2015, while situation in India has worsened.

Crop production

Important Crops: Share of important crops in GDP was calculated at 5.2 per cent in 2016-17. Among the five important crops, maize and sugarcane yielded the highest production in the history of Pakistan and helped achieve the growth rate of 4.1 per cent compared to negative growth of last year.

Maize has continuously been showing high achievements for the last many years. It was at 6,130 thousand tonnes with an increase of 16.3 per cent over last year production (Table-3). The increasing production trend is due to use of high quality hybrids seeds, improved production technologies and profitability. Due to continuous policy support for sugarcane, the production as well as area under its cultivation increased by 12.4 per cent and 4.25, respectively compared to last year.

Production of wheat was the second highest in the history at 25,750 thousand tonnes from an area of 9.05 million hectares which, however, missed its target by 5.8 per cent. One of the main reasons for low wheat production was reduction in area sown during 2016-17, which was reported as 9.05 million hectares against 9.22 million hectares in 2015-16. Rice ranks as second amongst the staple food grain crops in Pakistan and it is a major source of foreign exchange earnings. The production of rice during 2016-17 was recorded as 6,849 thousand tonnes from an area of 2.7 million hectares. Generally about two third of total production of rice is exported. According to Rice Exporters Association of Pakistan (REAP), during the period from July, 2016 to Feb, 2017 more than 2.4 million tonnes of rice

have been exported valuing US\$ 1.033 billion against US\$ 1.860 billion during 2015-16. The decrease in foreign exchange earnings is mainly due to decrease in the price of the commodity in international market.

Contrary to the achievements in above four important crops, cotton could not perform well though surpassed previous year production level but has still been under stress. During 2016-17, cotton sowing declined by 14.24 per cent as compared to last year from an area of 2.4 million hectares. Cotton production figures show a harvest of 10.7 million bales though 7.6 per cent higher than last year but still very low than the potential (Table-3).

Other Crops: Despite relatively good performance in major crops, the performance of minor crops which contributes to income diversification was less encouraging as the targets were missed in most crops. For the year 2016-17 production of gram crop was recorded at 359 thousand tonnes which was 25.5 per cent higher than last year, but still very low from its potential and missed the targets mainly due to dry weather, termite attack and wilting which adversely affected crop growth. Similarly, the production of onion remained at 1,784 thousand tonnes against last year production of 1,736 thousand tonnes, while production of potato was at 3,850 thousand tons with a decrease of 3.2 per cent over last year. Minor crops production generally influences the Food Price Index and Sensitive Price Index. It is, therefore, imperative to focus on increased production of pulses, condiments, oilseeds, vegetables and horticultural crops to arrest the inflation trend, ensure indigenous food security, and enhance farmers' income.

Table-3
Crop production achievements

Crop	('000' Tonnes)			
	2015-16 Actual (R)	2016-17 Target	2016-17 Achievement (P)	% change over 2015-16 Actual
Wheat	25,633	27,357	25,750	0.46
Rice	6,801	6,838	6,849	0.71
Sugarcane	65,482	67,535	73,607	12.41
Cotton (million bales)	9.917	11*	10.671	7.60
Maize	5,271	4,607	6,130	16.30
Gram	286	709	359	25.52
Onion	1,736	2,016	1,784	2.76
Sunflower	86	-	101	17.44
Potato	3,978	4,316	3850	-3.22
Tomatoes	587	-	589	0.34

Source: Pakistan Bureau of Statistics, Ministry of National Food Security & Research, Planning Commission

*adjusted

Agricultural Inputs

Fertilizers: The Government has been endeavouring hard to decrease the cost of production for which nitrogen and phosphatic fertilizer have been subsidized under Kissan Package. During 2016-17, nitrogen (N) and potash (K) off take has jumped by 30.9 and 55.0 per cent, respectively while phosphate off-take has surged by 17.4 per cent over 2015-16

(Table-4). The significant increase in fertilizer off-take during 2016-17 over 2015-16 is mainly attributed to Government incentives provided under Kissan Package. A subsidy of Rs500 per bag was provided by the Punjab government on potassic fertilizers.

Table-4
Fertilizer off-take, target and achievements

Nutrient/ Product	2015-16 Actual	2016-17		% change over 2015-16 Actual
		Target	Achievements (p)	
Nitrogen	2,672	3,328	3,498	30.9
Phosphate	1,007	848	1,182	17.4
Potash	20	28	31	55.0
Total	3,699	4,204	4,711	27.4
Urea	4,558	5,882	6,041	32.5
DAP	1,823	1,488	2,191	20.2

Source: National Fertilizer Development Centre, Ministry of Planning, Development & Reform.

Agricultural Credit: Affordable, sufficient and timely available credit along with its effective utilization is an important tool to bridge the investment gap required for purchasing inputs mix needed by the resource poor farmers. During 2015-16, financial institutions disbursed an amount of Rs598.8 billion against the target of 600 billion. For the year 2016-17, the State Bank of Pakistan (SBP) targeted to disburse Rs700 billion which was about 17 per cent more than that of the previous year's target. For the first nine months of 2016-17, financial institutions have disbursed Rs473 billion, which was 67.6 per cent of the indicative target of Rs700 billion. The central bank's has taken a number of policy and regulatory initiatives in collaboration with the government, banks and other stakeholders for promotion of agriculture financing. These initiatives include credit guarantee scheme for small and marginalized farmers, developed SOPs for crop and livestock insurance schemes and enhancement of Produce Index Unit Value. The SBP is trying to remove regional disparity in the distribution of agriculture credit which is hampering agriculture growth in agriculturally less developed regions of Pakistan.

Improved Seed: Improved seed requirement is increasing consistently. Despite presence of over 700 seed companies in business, the requirement of seed remained unmet over the years. Efforts had been made at various levels to attract foreign investment and technology in seed business but outcomes remained largely unfruitful because of nonexistence of direly needed legislations and regulatory framework. It is reported that spurious cotton seed is generally being distributed which have very low Bt. toxin. It is necessary to check this trend. Public sector is performing well in major crop seed business. It is however the insufficiency of the private seed companies to meet the demand. To improve the situation, the private sector has to come up for bridging the gap between supply and demand. Towards this end, a long outstanding issue of seed sector was resolved by making an amendment in the Seed Act 1976. Plant Breeders Rights bill has also been passed by the parliament to protect and promote investment in seed industry by local and international firms. The distribution of seed for cotton and other major crops during 2016-17 is given in the Table-5.

Table-5
Improved seed requirement and availability

Items	2016-17		
	Targets	Achievements	%age
Cotton seed	40,000	29,364	73.4
Paddy	15,300	48,362	316.1
Maize	11,300	26,065	230.7
Wheat	239,000	421,615	176.4
Pulses	10,300	3,138	30.5
Oilseeds	2,300	889	38.7
Vegetables	5,100	6,156	120.7
Fodder	40,138	29,840	74.3
Potato	52,200	3,051	5.8

Source: FSC&RD, M/o National Food Security and Research

Irrigation Water: The Vision 2025 has highlighted the nexus of food security with energy and water as a “Pillar” with the aim to achieve sufficient, reliable, clean and cost-effective availability of energy, water and food. The country depends much on Indus Basin canal irrigation system which is posed to serious operational and maintenance issues. Huge water losses in transit through leakages, illegal pumping and inefficiency of the system adversely affect the small land holders and those at the tails of the distribution channels. The recurrence of droughts in certain areas and floods in recent years has further increased the number of food insecure people. These issues have reduced water use efficiency at farm level a major reason of low average yields of crops at national level. The irrigation water availability for 2016-17 has been assessed at 132.7 MAF against the targeted 134.56 MAF. Rain fall during early Rabi season remained low causing water shortages, affecting especially wheat sowing in rainfed areas.

Plant Protection: In Pakistan, major chunk of pesticides is generally used to control cotton pests, however, on account of sowing of Bt Cotton in more than 85 per cent area of the crop, the volume of pesticides application has reduced substantially. Private sector is engaged in the business of indigenous production, import and distribution of agriculture pesticides. Provincial Governments keep a check on quality control and related issues. The pesticides availability situation is given in Table-6.

Table-6
Pesticides availability in Pakistan

Quantity of Pesticides	2015-16	2016-17
		(Jul-Feb)
Imported	22,187	14,515
Indigenous Production	124,481	130,401
Total availability	146,668	144,916

Source: Department of Plant Protection, M/o NFS&R.

Agricultural mechanization: The level of farm mechanization and average farm power availability in Pakistan is much lower than global and regional competitors. During the last few decades, the overall demand for agricultural machinery has increased due to non-availability of labourers or their high cost during peak sowing and harvesting seasons. In last year from July 2016 to March 2017, around 37,938 tractor units were produced as compared

to 21,942 tractor units in the corresponding period of previous fiscal year which is 73 per cent higher. However the production of wheat thresher and chaff cutter has been decreased by 38 per cent and 21 per cent respectively in this year compared to the previous one. Due to tax relaxation, the agricultural machinery import during 2016-17 was of US\$50,000 compared to the US\$40,000 during 2015-16.

Livestock, poultry and fisheries

The Livestock, poultry and fisheries sub-sectors are the most vibrant segments of agriculture and play a vital role in national food security and the overall economy. The livestock sub-sector accounted for 11.7 per cent of overall GDP and 56 per cent of the agricultural GDP. It achieved a growth rate of 3.4 per cent against the achievement of 3.36 per cent of the year 2015-16. Livestock is mainly raised by around 8.5 million small farmers and landless families in the rural areas and is their main source of livelihood. Thus the sub-sector plays an important role in poverty alleviation, gender employment, and stimulation of agricultural growth given its enormous potential for value addition and export. Physical performance of livestock, dairy, poultry and fisheries sub-sectors during 2016-17 is given in Table-7.

Table-7
Physical performance and targets of livestock, poultry and fisheries

('000' Tonnes)

Items	2015-16 Actual	2016-17		% Change over 2015-16 Actual
		Target	Achievements (P)	
Meat	3,990	4,062	4,212	5.56
Beef	2,057	2,085	2,175	5.74
Mutton	691	701	723	4.63
Poultry	1,242	1,276	1,314	5.80
Milk	55,688	56,080	57,987	3.41
Eggs (Million Nos.)	16,720	17,083	17,116	2.37
Fish	788	840	796.5	1.08
Inland	295	330	296	0.34
Marine	493	510	495	0.41

Source: Pakistan Bureau of Statistics and Marine Fisheries Department

Livestock Products: Besides providing livelihood to farmers, livestock products have been emerging as an important source for foreign exchange earnings. More than US\$ 164.631 million were earned as foreign exchange through the export of livestock and allied products during July-March, 2016-17 (SBP). Pakistan is one of the largest milk producers in the world but traditional marketing system remains a major barrier to transform its subsistence production into a commercially viable venture as about 3-5 per cent of milk is processed for value addition while major chunk is consumed locally through traditional marketing system. Last year milk production was calculated at around 58 million tonnes in the country. The meat share of this sub sector was 69 per cent in the total meat production during 2016-17.

Poultry: Poultry has emerged as a major job provider in the rural areas. Poultry has attained an incredible status in rural economy and is the second largest industry in Pakistan and means of livelihood for millions. Poultry meat and eggs are cheaper sources of protein diet. It contributed about 31 per cent of the total meat production in the country and played vital role in soothing demands of mutton and beef.

Fisheries and Seafood: Fisheries and fishing industry are means of food and source of livelihood for millions especially in the coastal areas and play a significant role in the national income through export earnings. About 50 per cent of the total fish production is consumed locally, 20 per cent is exported, whereas about 30 per cent is converted into fish-meal for the poultry industry. Fish and fishery products from Pakistan are exported to 75 countries of the world. A major fraction of seafood is exported in frozen form; whereas dried, chilled, fresh and live seafood are also exported. Overfishing and use of illegal nets (catching of juvenile fish), quality control, unhygienic handling and supply chain issues are major impediments which cause volatility in this sector. A quantity of 88 thousand tonnes of fish and fish products has been exported, earning US\$ 268.2 million foreign exchange during July-March, 2016-17 against earnings of US\$ 238.8 million in the same period of last fiscal year, with an increase of 12 per cent. Total production from marine as well as inland resources was close to 800 thousand tonnes in 2016-17 (Table-7).

Forestry

Area under forest cover in Pakistan is stagnant i.e. below 5 per cent. Deforestation has been a serious issue which is now realized by different quarters. Both provincial as well as federal governments are making headways to increase the plantation. To arrest the deteriorating situation, a ban has been imposed on cutting of trees with the hope to reverse the situation in coming days. In 2016-17, the forestry sector has seen an impressive growth of 14.5 per cent. To regulate the forestry sector for the purpose of defining the federal and provincial jurisdictions, role of the private sector, and controlling the illegal forestry, the National Forest Policy has been announced this year which is expected to bring new investment in the sector. The Prime Minister has announced a Green Pakistan programme which is expected to boost the plantation of trees in suitable areas.

Development outlay

Federal Public Sector Development Programme 2016-17

In the Federal PSDP 2016-17, a sum of Rs 29,292 million was allocated to 79 schemes related to different Ministries / Divisions / Agencies for development of Food and Agriculture Sector (Table 8). However, the allocation for the Ministry of NFS&R remained low at Rs1520 million. Investment on water directly helps agriculture sector development which was Rs 26,716 million.

Table-8
Food and agriculture sector, PSDP allocations 2016-17

Sr.#	Ministry/Division/Agency	No. of Schemes			Total Cost	Allocation 2016-17
		Ongoing	New	Total		
1.	National Food Security&Res.	20	06	26	1,0121	1,520
2.	Planning, Dev.& Reform	-	02	02	1,296	90
3.	Higher Education Commission	01	02	03	1,874	330
4.	Sci.& Tech. Res. Division	01	01	02	104	30
5.	Water & Power Division	36	-	36	607,578	26,716
6.	Interior Division	05	-	05	262	61
7.	Port & Shipping Division	03	-	03	151	145
8.	Finance Division	02	-	02	2,643	400
Total		68	11	79	624,029	29,292

Source: PSDP 2016-17

Annual Development Programme 2016-17

The allocation of funds to agriculture and allied sub-sectors by the provinces/regions in their respective Annual Development Plans 2016-17 was Rs 54,985 million (Table-9).

Table-9
Allocation in the Annual Development Programmes (2016-17)

(Rs million)

Province / Region	Sectoral Allocations				
	Agriculture + on-farm water	Food	Livestock	Fisheries	Total
Punjab	20,000	865	9,227	755	30,847
Sindh	5,794	383	1,240	687	8,104
Khyber Pakhtunkhwa	5,634	732	410	173	6,949
Baluchistan	6,519	-	199	362	7,080
Gilgit-Baltistan	312	-	127	7	446
FATA	601	-	528	19	1,148
AJ&K	217	-	140	54	411
Total	39,077	1,980	11,871	2,057	54,985

Source: Provincial/Regional ADPs 2016-17.

In the Punjab Budget 2016-17, the Chief Minister announced Rs100 billion package over the next two years for agriculture sector to be spent on fertilizer subsidy, loans for farmers for which all interest to be paid by the Government of Punjab, subsidy on GST for electricity driven tube-wells, provision of agricultural machinery through service centres, increase in cotton production to 10 million bales in the province, solar drip irrigation system, tunnel farming, rural roads, livestock production and health care and irrigation sector projects. Salient features of the package are:

- Rs13.750 billion has been spent on fertilizer subsidy, resulting in availability of urea @ Rs1,400 per kg and DAP@ Rs2,500 per kg. (increased urea and DAP usage by 24.5 and 22 per cent, respectively)
- Voucher based potash subsidy scheme.
- Kissan Card Scheme is being launched at a cost of Rs2 billion to ensure direct subsidies to targeted farmers in efficient manner.
- Establishment of high-tech mechanization service centres ensuring availability of state-of-the-art machinery within districts at a cost of Rs21 billion.
- Solar tubewells sharing of 80 per cent by GoP and 20 per cent by farmers
- Tunnel @ of 50 per cent by GoP and 50 per cent by farmers upto 15 acres for which Rs4.8 billion has been allocated
- Task of credit disbursement of Rs100 billion for 2.5 million acres.

Outlook 2017-18

Keeping in view the overall performance, investments and policy interventions, outlook for 2017-18 seems quite promising and a target of 3.5 per cent has been fixed for the growth in agriculture sector for the 2017-18, stemming from crops 2.7 per cent (important crops 2, other crops 3.3, cotton ginning 3.5), livestock 3.8 per cent, fishing 1.7 per

cent and forestry 10 per cent. These targets are achievable as the commodity market is expected to be stable in the near future. However, risks to the target are extreme weather conditions resulting in floods and abnormal rainfall. Targets of production of some of the significant crops for 2017-18 are presented in Table-10.

Table-10
Production targets of crops for 2017-18
(‘000’ Tonnes)

Crop	Production
Important Crops	
Wheat	26,500
Rice	6,900
Sugarcane	70,309
Cotton (million bales)	13.6
Maize	6,200
Other Crops	
Gram	500
Onion	1,850
Sunflower	160
Potato	4,000
Tomato	600

Source: Planning Commission

On the input front both public as well as private sectors are endeavouring to provide good quality inputs to enhance overall agriculture productivity. With continuous support to enhance fertilizer use, the targets of 4,161 thousand tonnes of nutrient use has been fixed (Table-11).

Table-11
Fertilizers Use Projection/Targets
(‘000’ tons)

Nutrient/Product	2017-18
Nitrogen	3,199
Phosphate	936
Potash	26
Total	4,161
Urea	5,764
DAP	1,691

Source: NFDC, Planning Commission

Government is committed to promote agriculture finance through inclusive and broad-based approach. The target of agricultural credit for 2017-18 has been fixed at Rs770 billion in 11th Five Year Plan. The Seed (Amendment) Act, 2014 has been passed by the National Assembly. After enactment, its enforcement is expected to enhance the role of private sector regarding production of basic seed its multiplication, certification and also in establishing of accredited seed testing laboratories. Seed production targets for the year 2017-18 are given in Table-12.

Table-12
Targets of improved seed 2017-18

('000' Tonnes)

Crop	Requirements	Target	Per cent
Wheat	1085	244	22
Cotton	40	40	100
Paddy	42.48	16.1	36
Maize	31.91	12.1	36
Fodders	40.14	13.7	33
Oilseeds	10.58	2.3	22
Pulses	47.50	11.4	23
Vegetables	5.07	5.1	100
Potato	372.73	55.9	14
Fruit Nursery (000 Nos.)	1,000	85	8.5

Source: 11th Five Year Plan, Planning Commission

Farm mechanization is facing multiple challenges mostly relating to technology, markets, operations, financing, policy framework and other related areas. Moreover, land holdings, cropping patterns, market price of crops, availability of labour and cost of labour are the major factors deciding the agricultural mechanization. These challenges pose a serious impediment to the growth of the industry and agriculture. Under Prime Minister Package tax reduction was announced in previous budget which gave a boost not only local production of tractors but also enhanced import of farm machinery. Further the government efforts to bring FDI from Belarus for establishing a new assembly line is in pipeline. It is hoped that the advancement in farm mechanization will continue in this year. Along with efforts to introduce new Bt. technologies for cotton, a new advisory has been issued and being pursued to control pink boll worm which has been declining cotton output in recent years. Likewise government supports to pesticide sector by reducing taxes, have increased pesticides usage and hence better crop protection.

Livestock, poultry and fisheries

Pakistan's geographic position provides a scope of considerable opportunities to boost livestock especially in the case of Halal food. This potential to enhance the quality of livestock, poultry, fisheries sea foods production and trade will be exploited by developing veterinary infrastructure, improvements in gene pool, standardization of feed, development of skill of manpower, effective enforcement of legislation, adoption of global best practices, compliance to international standards, advancement towards value addition and provision of standardised and efficient veterinary services. GDP targets from the livestock and fisheries have been fixed at 3.8 per cent and 1.7 per cent, respectively. The output targets for the year 2017-18 are given in Table-13.

Table-13
Livestock and fisheries targets 2017-18
(‘000’ Tonnes)

Item	Targets
Meat	4,263
Beef	2,155
Mutton	717
Poultry meat	1391
Milk	57,890
Eggs (million Nos)	18,037
Fish	801
Inland	300
Marine	501

Keeping in view the better performance of the forestry sector in 2016-17, a growth target of 10 per cent has been fixed for 2017-18.

Programmes

Total size of the PSDP for 2017-18 is over one trillion rupees. Main funds are going for infrastructure development and in energy sector. However the investment on projects of Ministry of National Food Security and Research is Rs 1,614 million. It is pertinent to point out that agriculture related projects have also been mentioned under other ministries because of its cross cutting nature. Significant of them is water sector of which allocation is Rs 38 billion for this year.

Some of the important initiatives of the federal government are given below:

- Promotion of olive Cultivation on Commercial Scale in Pakistan.
- Strengthening / Up-gradation of Agriculture and Livestock Research System of Arid Zone Research Institute, Umerkot, Sindh
- Strengthening and Up-gradation of Arid Zone Research Institute, D.I Khan
- Commercialization of Tissue culture technology in Pakistan
- Productivity enhancement of pulses in Pakistan
- Value Addition in Agriculture – Cluster Development Approach
- Establishment of Centre for Rural Economy
- Risk Based Control of Foot & Mouth Disease in Pakistan
- Strengthening of NIBGE Faisalabad and NIA Tandojam
- Solar tubewell scheme

Besides the investments of the federal government on agriculture sector, provinces are investing in it from their own resources. Last year the investment from provinces and federal areas was Rs55 billion which will be significantly enhanced. The Chief Minister Punjab Kissan Package and rural road programme will further ease out the difficulties of rural economy of the Punjab where most of the agriculture GDP originates. Several donors are also investing in agriculture sector in collaboration of provinces. Donor’s investment portfolio is quite significant in Pakistan for the agriculture sector.