

F. No. 1-1/2020/DFSC-II/Senate
Government of Pakistan
Ministry of National Food Security & Research

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Islamabad, the 28th March, 2024

OFFICE MEMORANDUM

Dy. No. 921 Subject: **5TH MEETING OF THE WHEAT BOARD**

Date 29-03-24

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The undersigned is directed to refer to the 5th meeting of Wheat Board convened on 26-03-2024 at 13:30 hrs. under the Chairmanship of the Minister for Finance, in the Committee Room of Finance Division, Islamabad. Minutes of meeting are placed for ready reference (Annex-I). After a detailed discussion it was decided that:

- Permission was accorded for the inspection of MV CYCUS only carrying 50,335 MT imported wheat subject to fulfillment of all codal formalities and compliance to all conditions applicable on arrived vessels as per decisions taken in 4th Wheat Board meeting.
- Department of Plant Protection, M/o Maritime Affairs and SBP to be informed of the decision of Wheat Board, immediately.

2. In this context State Bank of Pakistan (SBP) is requested to facilitate in the financial matters of MV. CYCUS within the stipulated period i.e. before the 31st March, 2024. The vessel is already in que since 9th March, 2024.

3. This issues with the approval of the Competent Authority.

Encl: as above.

(Signature)
28/03/24

(MUHAMMAD ASIF)

Dy. Food Security Commissioner-II
Tel: 051-9208368

Governor,
State Bank of Pakistan,
I.I Chundigarh Road,
Karachi.

C.C to:

- PS to Minister for Finance, Islamabad.
- PS to Secretary, M/o NFS&R, Islamabad.
- Cereal Association of Pakistan, Karachi.
- Pakistan Flour Mills Association (All Zones).

AS (T)

PS:

Neither our point of view is recorded in minutes nor decision in that manner found recorded. pl. discuss on priority.

(Signature)
29/03/24

PA: to Addl: Secy Food
Food Department
Diary No: 579
Date: 29-03-24

Government of Pakistan
Ministry of National Food Security and Research
Food Security Commissioner-II Wing

Islamabad, the 28th March, 2024

Subject: - **MINUTES OF MEETING OF 5TH MEETING OF THE WHEAT BOARD**

5th meeting of Wheat Board was convened on **Tuesday the 26th March, 2024 at 13:30 hrs.**, under the Chairmanship of the Minister for Finance as Chair nominated by the Prime Minister being Minister-in-charge, in the Committee Room, 4th Floor, Block-QB, Pak- Secretariat, Islamabad, in order to consider the request of Cereal Association of Pakistan (CAP) to allow a specific vessel titled MV CYCAS carrying 50,335 MTs of wheat, which due to oversight, could not been mentioned in the list of 19x vessels provided by Cereal Association of Pakistan in the wake of decisions taken in the Wheat Board meeting dated 23rd February 2024.

2. The meeting was attended by the representatives of Agriculture and Food Departments of Provincial Governments, representatives of Ministry of Finance, representatives of Pakistan Flour Mills Association, Cereal Association of Pakistan and higher officials of the attached Departments of the main Ministry. List of participants is attached as **Annex-I**.

3. The proposed agenda items were as under:

- a) Proposal to allow vessel inspection of imported wheat till 31-03-2024 for level playing field.
- b) Proposal to impose 20% Regulatory Duty (RD) on imported wheat w.e.f. 01-04-2024 to 30-06-2024 (excluding arrived wheat vessels till 31-03-2024 and import under Export Facilitation Scheme-2021).
- c) Any other agenda item with the permission of the Chair.

4. Minister for Finance welcomed the participants. A comprehensive discussion was held on the anticipated wheat production for forthcoming wheat harvest season, projected carry-forward public/private stocks and general demand and supply position of wheat in the country. The Secretary, MNFS&R apprised that ECC of the Cabinet in its meeting held on 23-10-2023 had allowed TCP to import 1.00 MMT for PASSCO for maintaining strategic reserves and private sector was also allowed to import wheat.

5. A delegation of Pakistan Cereal Association and Pakistan Flour Mills Association met with the Minister and Secretary for the Ministry of National Food Security & Research on 19-02-2024 and requested to convene a meeting of the Wheat Board. Therefore, 4th meeting of the Wheat Board was convened on 23-02-2024. In the meeting it was decided that:

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- a) Import of specified milling wheat by the private sector will be allowed till the 31st March, 2024.
- b) No further import should be allowed, in any case after 31-03-2024.
- c) Department of Plant Protection (DPP) will ensure proper inspection of specified wheat vessels till 31-03-2024 as per list provided by private importers.

6. In compliance with the decision of the Wheat Board, the Cereal Association of Pakistan (CAP) submitted a list of 19 vessels on 22-02-2024 which were in transit and scheduled to reach Karachi Port on or before 31st March, 2024. Accordingly, DPP, MoMA and SBP were informed, to make necessary arrangements to facilitate import of wheat till the specified time-limit. However, on 12-03-2024 CAP submitted another letter to the Ministry and informed that another vessel titled MV CYCUS carrying 50,335 MT of imported wheat had arrived on 9th March 2024 but somehow the vessel could not be mentioned in the list provided by CAP due to oversight. It was requested by CAP that instructions may be issued to DPP and Customs to facilitate the vessel as all codal formalities had been fulfilled. CAP also approached the Sindh High Court, Karachi Bench where the matter is sub-judice. Thereupon MNFS&R approached the Prime Minister Office and requested to nominate any Minister from the Cabinet to convene and Chair 5th meeting of the Wheat Board.

7. The Chair raised a query on implication on FOREX reserves in the aftermath of above decisions whereupon the tentative figure was calculated as USD 900 million approximately. The Chair observed with marked concern that no specific cap had been laid on quantity to be imported by the private sector especially when TCP had also been allowed to import 1.00 MMT wheat for PASSCO to maintain strategic reserves whereupon it was clarified that on recommendation of MNFS&R, permission for TCP was withdrawn by the ECC in its meeting held on 1st February, 2024 whereas, private sector was allowed to import milling wheat into the country after fulfilling codal formalities including payment of taxes.

8. The Secretary, MNFS&R proposed that in the light of decisions taken in 4th meeting of the Wheat Board on 23-02-2024, fair opportunity and ample time was allowed to the private sector to furnish the list of vehicles in transit and scheduled to arrive at the port on or before 31st March 2024. It was however observed that notwithstanding above, one specific vessel of Russian origin titled MC CYCAS carrying 50,335 MT of wheat had now been identified by CAP which was somehow overlooked by CAP while transmitting the list of vessels to Ministry in the wake of decisions in 4th meeting of Wheat Board. It was also discussed that the vessel had arrived at the sea port within permissible time limit and otherwise met requisite criteria specified in the 4th meeting of Wheat Board.



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Furthermore, substantial demurrage is being paid on daily basis. It was therefore, recommended as reasonable to resolve the issue of one specific vessel titled MC CYCAS only waiting for inspection since 9th February, 2024, subject to fulfilment of all codal formalities subject to assurance that no further vessel will be extended any special dispensation.

9. While dilating upon reasons for recommendation for imposition of Regulatory Duty on the import of wheat, the demand and supply position of wheat in the country was presented. It was briefed that in case of production of 29 MMT and addition of carry- forward stocks of 3.24 MMT, total availability of wheat during 2024-25 would be at 32.24 MMT against the national requirement of 32.94 MMT, leaving behind a shortfall of 0.70 MMT. It was however discussed that such estimates are tentative and clear picture shall emerge till mid of April 2024. On a question about the market price of wheat it was explained that the price of wheat as reported by PBS at the time of determination of Minimum Support Price was in the range of Rs. 4,700 to Rs. 4,800/40 Kg.

10. It was briefed that in order to ensure Minimum Support Price of wheat to the farming community and to bridge the price differential of approximately Rs. 800/40 Kg between international and local market, as per analysis of local and international markets presented before the participants by MNFS&R, imposition of 20% Regulatory Duty (RD) on import of wheat has been recommended for a period of three (03) months w.e.f. 1st April, 2024 to 30th June, 2024. Moreover, it has also been recommended import cum export of wheat and wheat products under Export Facilitation Scheme, 2021 may be excluded from the proposed RD scheme.

11. Chair observed that production estimates and carry-forward stocks shall be clearly reported by the provinces by 15th April, 2024; therefore, any decision on the imposition of RD on the import of wheat may better be taken accordingly.

12. After a detailed discussion it was decided that:

- a) Permission was accorded for the inspection of MV CYCUS only carrying 50,335 MT imported wheat subject to fulfilment of all codal formalities and compliance to all conditions applicable on arrived vessels as per decisions taken in 4th Wheat Board meeting.
- b) Department of Plant Protection, M/o Maritime Affairs and SBP to be informed of the decision of Wheat Board, immediately.
- c) The issue of imposition of Regulatory Duty on import of wheat to be discussed at a later stage after securing clear figures of production and carry-forward stocks of wheat in the country.



LIST OF PARTICIPANTS
5th MEETING OF "WHEAT BOARD" HELD ON 26-03-2024 AT 01:30 PM

1. Muhammad Aurangzeb, Minister for Finance & Revenue, Islamabad. (In Chair)
2. Qamar Sarwar Abbasi, Additional Secretary, Finance Division, Islamabad.
3. Capt. Rtd. Muhammad Asif, Secretary, MNFS&R, Islamabad.
4. Waqas Ali Mahmood, Additional Secretary-I, MNFS&R, Islamabad.
5. Muhammad Jamil, Joint Secretary, Finance Division, Islamabad.
6. Imtiaz Ali Gopang, Food Security Commissioner-II, M/o NFS&R, Islamabad.
7. Waseem-ul-Hassan, Food Security Commissioner-I, M/o NFS&R, Islamabad.
8. Abdul Karim, Director General, Agri. Policy Inst. (API), Islamabad.
9. Dr. Saleem Mohsin, Chief, NFDC/FSC-I, Islamabad.
10. Dr. Naseem Begum, Director, FSC&RD, Islamabad.
11. Secretary, Food Department, Government of Punjab, Lahore.
12. Secretary, Food Department, Government of Sindh, Karachi.
13. Secretary, Food Department, Government of Khyber Pakhtunkhwa, Peshawar.
14. Secretary, Food Department, Government of Balochistan, Quetta.
15. Secretary, Food, Department, Government of AJK, Muzaffarabad.
16. Secretary, Food, Department, Government of Gilgit/ Baltistan, Gilgit.
17. Secretary, Agriculture Department, Government of Punjab, Lahore.
18. Secretary, Agriculture Department, Government of Sindh, Karachi.
19. Secretary, Agriculture Department, Government of Khyber Pakhtunkhwa, Peshawar.
20. Secretary, Agriculture Department, Government of Balochistan, Quetta.
21. Chairman, Wheat Traders Association, Karachi.
22. Chairman, Wheat Export Association, Karachi.
23. Mr. Faud Garib, Chairman, Wheat Traders Association, Karachi
24. Mr. Javed Thara, Wheat Exporters Association, Karachi
25. Amir Abdullah, Chairman PFMA South Zone, Sindh.
26. Chairman, Pakistan Flour Mills Association, Lahore.
27. Imamuddin Qamar, Cereal Association of Pakistan.
28. Amir Abdullah, Chairman, PFMA, South Zone.
29. Hafiz Ahmed, N&M Food, Lahore.
30. Faizi Hassan, United Traders, Karachi.

