



NO. SO(F-I)3-3/2024
GOVERNMENT OF THE PUNJAB
FOOD DEPARTMENT

Dated Lahore the 25th March, 2023

To

The Secretary,
Government of the Pakistan,
Ministry of National Food Security & Research,
Islamabad.

Subject: - 5TH MEETING OF WHEAT BOARD.

Agriculture sector in Pakistan is experiencing stronger growth as compared to last year. The robust performance in this sector reflects better situation of food security and employment during the ongoing fiscal year. For the Rabi season 2023-24, the timely sowing of wheat aligns with the goal of reaching a production target of 32.12 million tons for Pakistan, as per monthly Economic Update and Outlook February 2024, (ANNEX-A). Furthermore, the Agriculture Department of Punjab has also reported that the wheat cultivation area in Punjab for the current Rabi season has increased to 17.443 million acres as compared to 16.014 million acres from last Rabi season. The increase in area under cultivation will increase the production also. It is anticipated by the Agriculture Department that yield of wheat crop during 2023-24 is going to range between 21.30 to 24.12 Million Metric Tons (MMT) in Punjab (ANNEX-B).

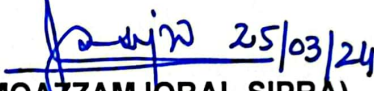
2. During the current fiscal year, International wheat prices remained low and the Government of Pakistan allowed the import of wheat in August 2023. As per daily wheat monitor maintained by Ministry of National Food Security & Research, 2.6MMT wheat has already been imported so far (ANNEX-C).

3. It is important to state that the Punjab Food Department with the carry over stock of 0.1 MMT, procured 3.9 MMT last year 2023-24. The total wheat stocks reached up to 4 MMT, out of which 1.76 MMT wheat has been released till 20-03-2024. The release of Government wheat stocks remained very low largely due to imported wheat availability in the market. Now the arrival of indigenous wheat of Sindh has started reaching in the market and from 1st week of April 2024, wheat from South Punjab will also be in the market. The release of public stocks under prevailing conditions will hardly continue till 1st week of April 2024. Keeping in view the current release pattern of stocks, it is estimated that hardly 1.8 MMT wheat will be released till

closing of ongoing Scheme Year 2023-24. The estimated carry forward of wheat stocks of Punjab will remain more than 2.2 MMT at the end of the scheme year 2023-24 i.e. 31st March, 2024. These carry-forward stocks will cost rupees 80 billion approximately on account of markup to the Government provided that the carry forward stock is sold till 31st March, 2025.

4. As far as the consumption of wheat in Punjab, it is estimated that with per capita consumption of 115 kg per annum with a population of 127.688 million, 14.68 MMT would be required for the fiscal year 2024-25. Additionally, the requirement of seed is around 0.872 MMT based on total area under cultivation. Thus, the total requirement for Punjab Province will remain approximately 15.55 MMT. In the last Wheat Board meeting, the Secretary Food Punjab has already explained the situation and requested that further import of wheat may not be allowed. Keeping in view the above factors, it is stated that the further import of wheat may not only flood the market with surplus wheat, adversely affect the support price for farmers but will also cause huge financial burden/loss to government exchequer. In view of the above, it is recommended that :-

- I. Further import of wheat may not be allowed.
- II. Complete ban on wheat import may be imposed with immediate effect.


(MOAZZAM IQBAL SIPRA)
SECRETARY FOOD