

Agriculture Marketing Roundup

AUGUST, 2006

FOR PUBLIC RELEASE



Agriculture Marketing Information Service

**Directorate of Agriculture
(Economics & Marketing) Punjab
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website: www.punjabagmarket.info**

Agriculture Marketing Information Service (AMIS)

An effective marketing system is indispensable to accelerate the pace of economic development. Over all objective of Agriculture Sector is to increase farm productivity and ensure increased incomes for the farmers, especially small holders. Vision 2020 of the Government of the Punjab stipulates improved wholesale markets and marketing infrastructure as one of the main objectives. With the expected increase in the country's population and per capita income, marketing is set to play a crucial role in ensuring that consumers obtain food at reasonable prices and farmers get returns remunerative enough to keep them involved in agricultural activities.

The project Agricultural Marketing Information service has been launched by the Punjab Government, with a cost of 113 million Rupees to assist the producers and traders to decide where, when and at what price to sell their produce, for optimization of income.

Objectives

The project aims to enhance the efficiency of marketing system through provision of timely, reliable and usable market information to growers, traders, consumers and policy makers.

The specific objectives are as under:-

- Fulfill the information needs of all market functionaries including growers, traders (middleman), consumers, planners and policy makers for their general and specific use
- Collect process and disseminate the information on prices along their trends
- Interlinking of the markets and market committees through latest information devices like computers, internet & website facility, telephones and fax etc.
- Develop an early warning system indicating expected shortages, surpluses and price fluctuations
- Training of staff for collection, analysis and dissemination of market information
- Capacity building of stakeholders to **utilize** market information
- Generation of market news and bulletin, economic & statistical database and analytical reports
- Guide policy makers to take appropriate and correct decisions regarding resource allocation and policy intervention in the agriculture sector through providing up-date information
- Export promotion by provision of information regarding the prices in international market, required quality standards and demand of potential importers

The Project Provide following Services:

Website: www.punjabagmarket.info

Toll Free No. 0800-51111

Hand Outs

Publication/Reports

Agriculture Marketing Roundup

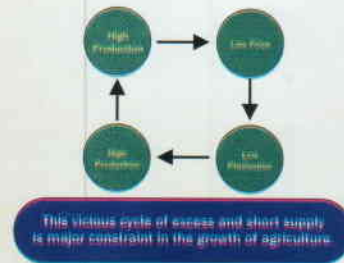
Electronic Rate Boards in Major Markets

Trainings

Seminars/Workshops

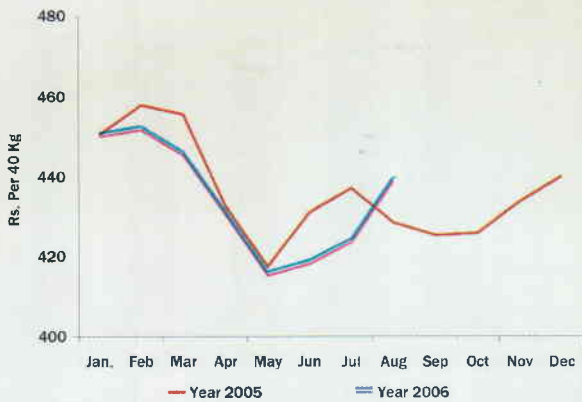
Agriculture Marketing Field Offices

Market Committee

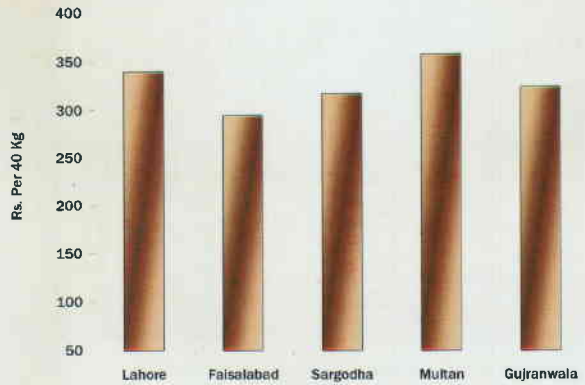


Market Situation Analysis

Wheat price is rising gradually the increase is likely to continue however at lesser rate.



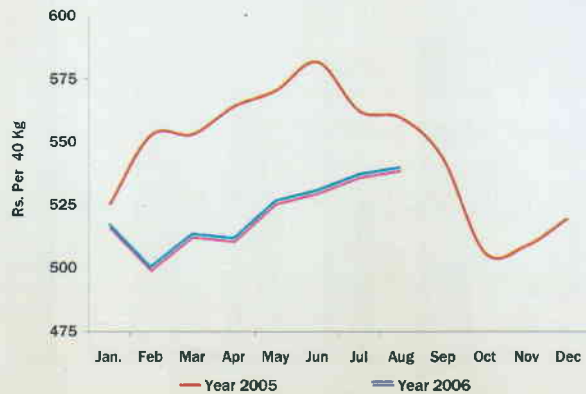
However, rain spells, which cause aflatoxin problem in maize is also holding the prices down. It is likely to take one more month to settle the problem. Price Comparison of Maize in Major Markets of Punjab



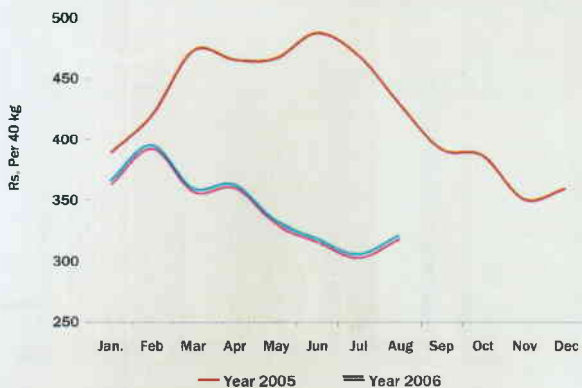
Wheat prices higher in Lahore and Faisalabad, Minimum at Gujranwala.



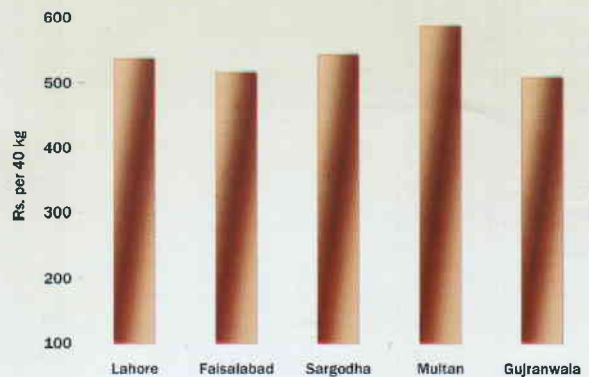
IRRI Rice Prices firmly held around previous month level which is likely to reduce with the start of harvest during next month.



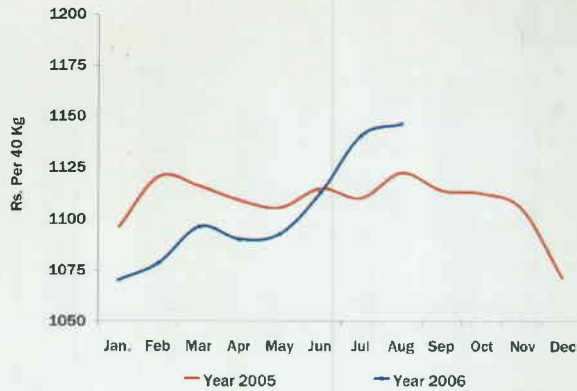
Maize prices lower than last year due to Bird Flu crises in poultry. Revival has been initiated this month which is likely to continue in coming months.



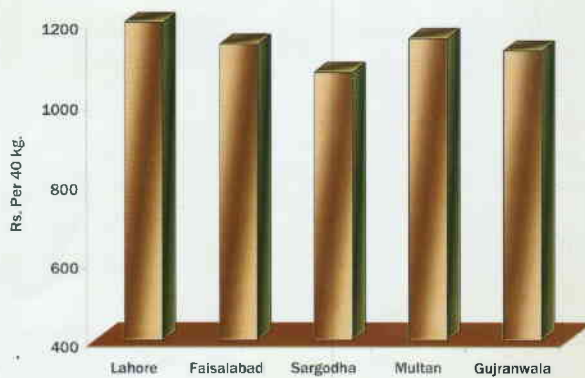
In addition new crop of coarse rice from Sindh belt is still one month away. On arrival of this crop in Oct-Nov, price of Irri rice will show a declining trend.



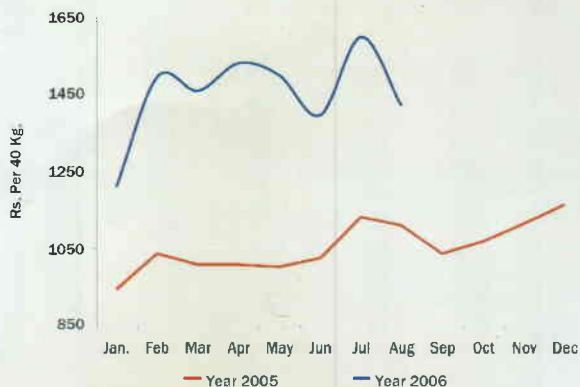
Rice Super prices started rising after the month of May and presently these are fairly high as compared to the last year due to better export performance.



This year for the first time in the country's history export of both fine and IRR1 rice has crossed the line of one billion dollar. The crop size is good and can touch the previous year level. World prices were still ruling high and exporters intended to improve the export.



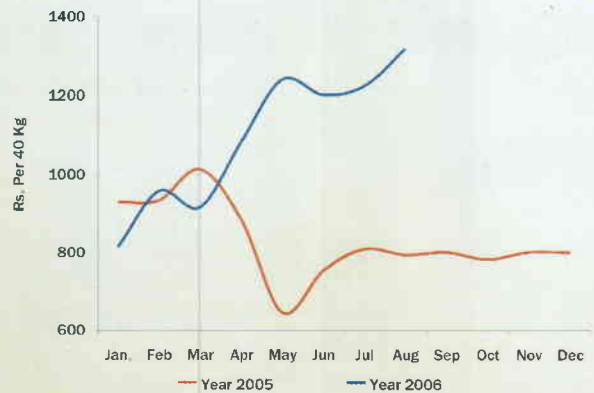
Sugar the sugar prices remained highly erratic through out the month but finally declined up to ending week.



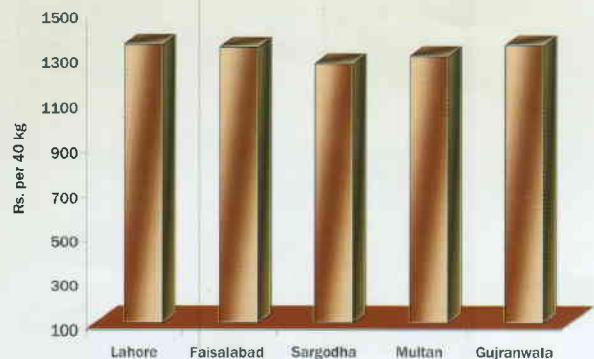
The supply position remained a bit comfortable due to steady arrivals from the local markets the import channel and Trading Corporation of Pakistan.



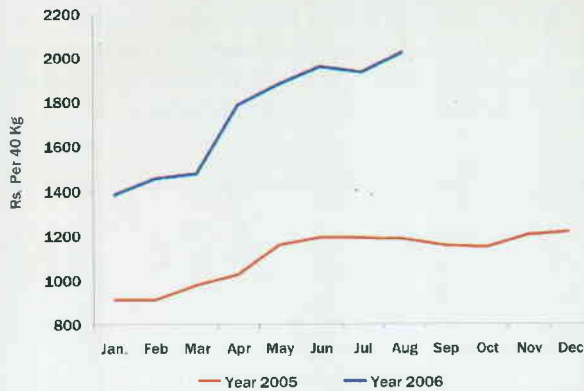
Gram prices remained high due to less production. The Gram production, during year 2005-06, declined to 527 thousand tons from 868 thousand tons showing 39.3 per cent decline from the last year. Whereas, the annual country consumption requirement, stand around 750 thousand tons. This gap of 118 thousand ton has to be met from import of commodity.



In the coming month the price may further escalate due to increase in demand of "Basen" made from grinding of black gram, usually consumed in large quantities during the Holy Month of Ramazan.



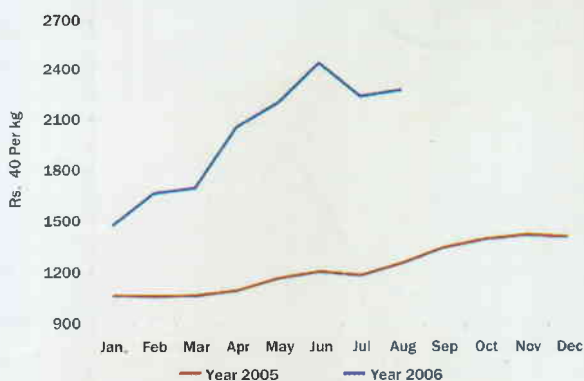
Moong prices remained higher due to less production. Prices are likely to rise further.



Price Comparison of Moong in Major Markets of Punjab



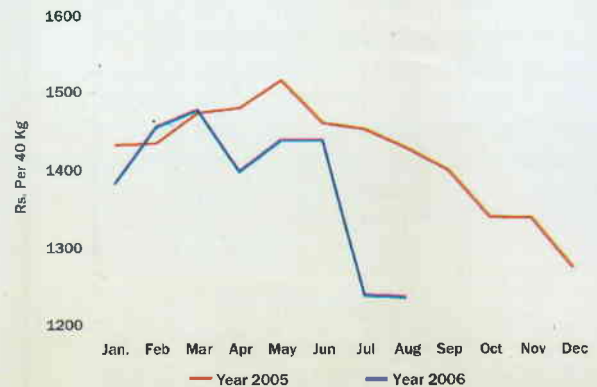
Mash production remained down by 9.6 per cent due to decline in area by 23.7% during 2005-06.



Heavy rains were reported as main reason for decline in area & production as compared to last year. Therefore, the market prices of Mash are higher than previous months and also compared with last year. In the forth coming months prices are likely to remain high. Price Comparison of Mash in Major Markets of Punjab



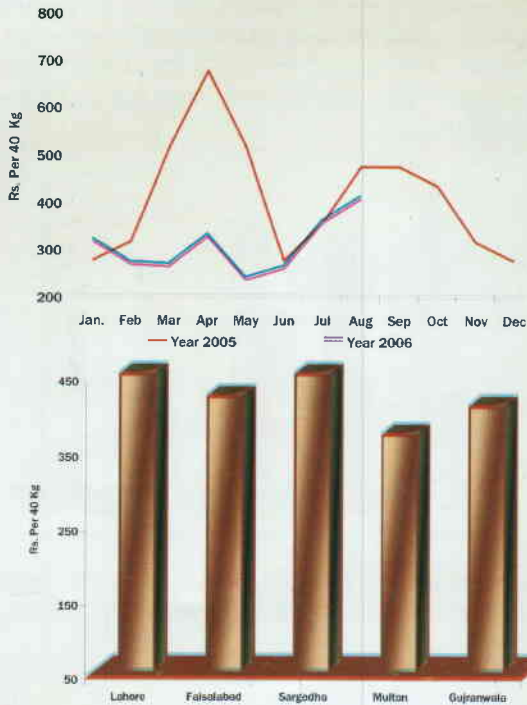
Masur prices are falling after harvest in May and heavy imports. Prices are likely to maintain stability in the next month



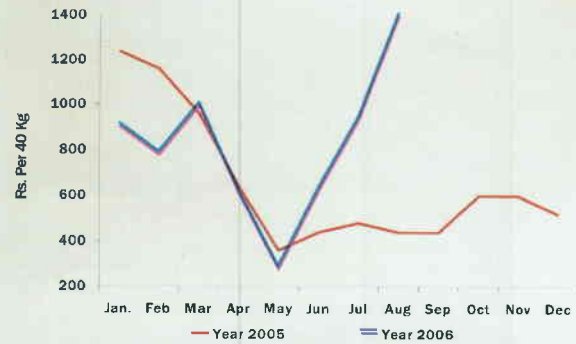
Price Comparison of Masur in Major Markets of Punjab



Onion prices are less as compared to the last year. These are likely to rise slightly in next month.

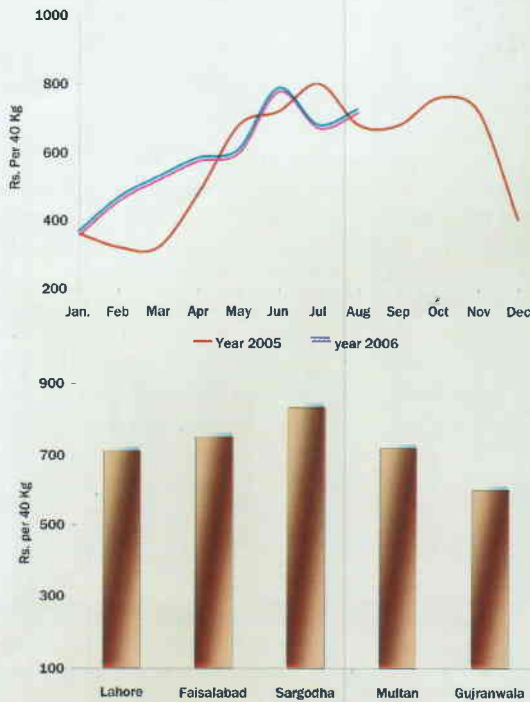


Tomato prices remained more than double as compared to corresponding month of the previous year. In previous years the supply of Tomato from N.W.F.P province was maintained during the whole month of August but in this year supply ended up to 2nd week of August due to heavy rains. Tomato crop from Baluchistan also used to supplement the tomato supply from N.W.F.P. That failed this year to supplement on account of less production.



As, less area was sown under the said crop due to lack of irrigation water at the time of sowing. Further the rains in August affected the supply from Quetta and Qila Saif-Ullah. The market price is likely to go up in the coming months.

Potato prices are in line with the last year prices. At present fresh potato crop is coming in Punjab from Gilgit, Parachinar and Swat that is insufficient to meet the requirements. New crop from Sialkot, Narowal, and Sahiwal will start coming in the market in Nov.



Chillies prices remained low throughout the year as compared with previous year. At the end of August, chillies market found upward trend on account of damage of chillies crop due to rains. Prices of chillies are likely to increase further in forth coming months.



Chief Minister Sasta Roshan Package



The market at the front of wheat, flour, pulses and sugar showed higher prices trends in the previous months. To ameliorate this situation The Chief Minister of Punjab has announced a program for providing subsidized ration to the identified deserving families of Punjab. A Chief Minister's Sasta Atta program is already targeting 500,000 families in different district. This number shall now be doubled and the program will extend to 1,000,000 families.

It has also been decided to provide subsidy of Rs. 10/ per Kg on sugar and two kinds of pulses. A quantity of 02 Kg of each item shall be provided in one month besides providing 04 bags (10 Kg each) of flour. A subsidy of Rs.2.8 per Kg of flour is already being given and shall continue. This why the total subsidy per family per month will be as under:

a)Subsidy on Flour	= 28 * 4 = Rs. 112/
b)Subsidy on Grams	= 10 * 2 = Rs.20/
c)Subsidy on Pulses	= 10 * 2 = Rs.20/
d)Subsidy on Sugar	= 10 * 2 = Rs.20/
Total	= Rs. 172/ per month

- The flour is being packed and transport by the flour mills to the designated points. The DCO's are responsible to issue flour coupons to the deserving families at the rate of 4 coupons per family per month. One coupon can fetch a 10 Kg flour bag @ Rs.100/ the bags are sold at the sport by the flour mills representative, who recovers Rs. 100/ from the consumer and the rest of Rs. 28/ is paid by the Government to yhe flour mills through DCOs. However, for pulses and sugar the district administrator will have to purchase these items first, pack, transport and distribute them to the targeted families. There fore, the procedure for distribution of these items shall be different from the flour distribution.
- It is proposed that the system of flour distribution should continue as per the previous practice. For the other items, the DCO may be given total cost of these items during first month. i.e. cost of 02 Kg sugar, 02 Kg grams and 02 kg Masoor. Subsequently, only subsidy will be paid and the rest of the amount DCOs will recover by selling these items. The cost of packing and transportation will also be paid to them at the start so that the item can be purchased in bulk to save the cost.
- The coupons shall be published centrally from Government Printing Press in the form of a booklet containing 18 level and two title pages. The title pages shall contain the detail of the recipient. One page will be retained by the DCO office and one will be with the Union Council Sectary or the nominated agent of DCO. Next six leaves of the booklet will have three breakable portion one each for grams, sugar and masur. One leaf shall be used for one month. The rest 12 pages will have two portions each to be used for flour. A total of 24 coupons would be used for flour @ 4 bags per months per family. One copy will be sufficient for the ration of six months. The DCOs will forward the list of all the identified families preferable with a soft copy made in MS Exel, so that a database can be maintained
- The items other than flour may be kept either with the Union Council Sectary or any other suitable arrangement can be made by the respective DCOs for public convenience. However, a complete record will be maintained by the stoke holder who shall submit the return and the collected coupons to the DCOs at the end of each month indicating the items sold and the remaining quality. The DCOs will submit these details to the Provincial Headquarter each month for record.
- It was decided that the lump sum amount for the purchase of items other than flour shall be sent to the DCOs in advance and each month the subsidy amount shall be paid.
- The DCOs were provided the funds and directed to make arrangement for registration of additional deserving families and distribution of Sasta ration packets packed in plastic printed bags as per the specimen within their own resources so that the scheme is inaugurated by the cabinet members as decided by the Chief Minister Punjab.

Minister for Agriculture Marketing Punjab is reviewed the progress of Agriculture Marketing Wing in a meeting held on 09-08-2006 in the Committee Room of S & GAD. It was emphasized that the recruitment and facilities had come, so we have to set targets and workout as an exemplary department to materialize the vision of Chief Minister Punjab to improve agriculture marketing. The matter of outsourcing of collection of market fees, installation of weigh bridges, and cleanliness of markets was deliberated in detail and it was decided that the reforms will be carried forward positively.



Following Facilities and information are providing by the market committees in the Punjab to ensure production and marketing of contamination free cotton:

- Educated about the damages of bross to the cotton
- Additional Rs. 50/- are giving to the farmers for clean cotton as premium
- Special clean plate farm are being provided for cotton
- Animal carts are strictly prohibited to enter in the cotton market to avoid contamination
- Installed water pumps for fire control in cotton markets
- Daily cotton rates are displayed of different cotton markets
- Cotton markets have been declared no Smoking Zone

Pakistan has decided to reduce in customs duty on 463 items to be imported from Iran under the preferential trade Agreement (PTA) effective from September 1, 2006.

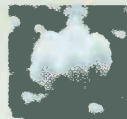
Chief Minister Punjab has been please to appoint Khawaja Tahir Zia, as convener of Prices & Supply Monitoring Committee



Ch. Ashfaq Hussain, has taken over the Director of Agriculture Economics & Marketing Punjab



Support of seed cotton (Phutti) has been fixed Rs. 1025/- per 40 Kgs for the Year 2006-07



The two countries had already finalized and ratified the rules of origin and other instruments of the agreement. The list of items was notified through notification SR0894 of 2006 issued here allowing exemption of customs duty in excess to the duty specified in the list. The Iranian side has notified exemption on 309 items to be imported from Pakistan under the PTA. The main items on which exemption was given under PTA includes: shrimps and prawns, eggs for hatching, natural honey, vegetables like cabbage lettuce, cucumbers, peas etc., fruits like kinnoo, watermelons, apples, pears, apricots, cherries etc., black tea, soya beans seeds, linseed, sunflower seeds, betel leaves, palm stearin, RBD palm oil, palm olein, sweat meats, vegetables, fruit, nuts, fruit-peel and other