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Report Name: Grain and Feed Update

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Report Highlights:

Monsoon flooding since mid-August has inflicted significant damage on Pakistan's agricultural sector. These floods have adversely impacted farmer's held wheat stocks and are likely to disrupt the wheat planting schedule for the 2026/27 wheat crop. The 2025/26 wheat production is unchanged at 28.9 million tons, while 2025/26 wheat imports are estimated at one million tons. Considering the pace of exports, the 2024/25 rice export estimate is lowered to 5.2 million tons. The MY 2025/26 rice production estimate is reduced to 8.0 million tons due to the impact of severe flooding on standing crops. Accordingly, 2025/26 rice exports are revised down from 5.2 to 4.6 million tons due to the anticipated reduction in supplies.

Wheat:

Floods Disrupt Wheat Planting

The leading agricultural provinces (Punjab and Sindh) of Pakistan have been encountering unprecedented floods this monsoon season. Huge swaths of land are under flood waters leading to widespread destruction of agricultural land, seed loss, overall food shortages and soaring prices. During a normal year, wheat planting commences in October and peaks in November. However, this year there are mounting concerns that the waterlogged fields will disrupt the wheat planting schedule for the upcoming season (2026/27) causing significant economic losses and possibly threatening national food security.

Floods have also destroyed home held wheat stocks reserved for seeds. Farmers who lost their crops and wheat seeds stored on farm are facing immense challenges for their land preparation and planting.

Wheat farmers in Pakistan were already in peril due to an abrupt shift in the decades old government wheat marketing policy. Current floods have compounded these challenges. Farmers associations are urging the government to provide seeds and soft loans to the small farmers on an emergency basis. Unless addressed by the government through a sizeable relief program, the aftermath of floods and a disrupted wheat market is likely to result in a substantial reduction in wheat planting area for 2026/27 wheat crop.

Prices

Wheat prices in Pakistan have registered an increase of around 30 percent during the last four months from Rs2300/ 40 kg (\$203/MT) to Rs. 3000 (\$265/MT). (Graph A). This price surge has profound implications as it can potentially impact the country's food security situation and economic stability. Wheat is not only a staple in the diet, it is also a vital part of Pakistan's agricultural economy.

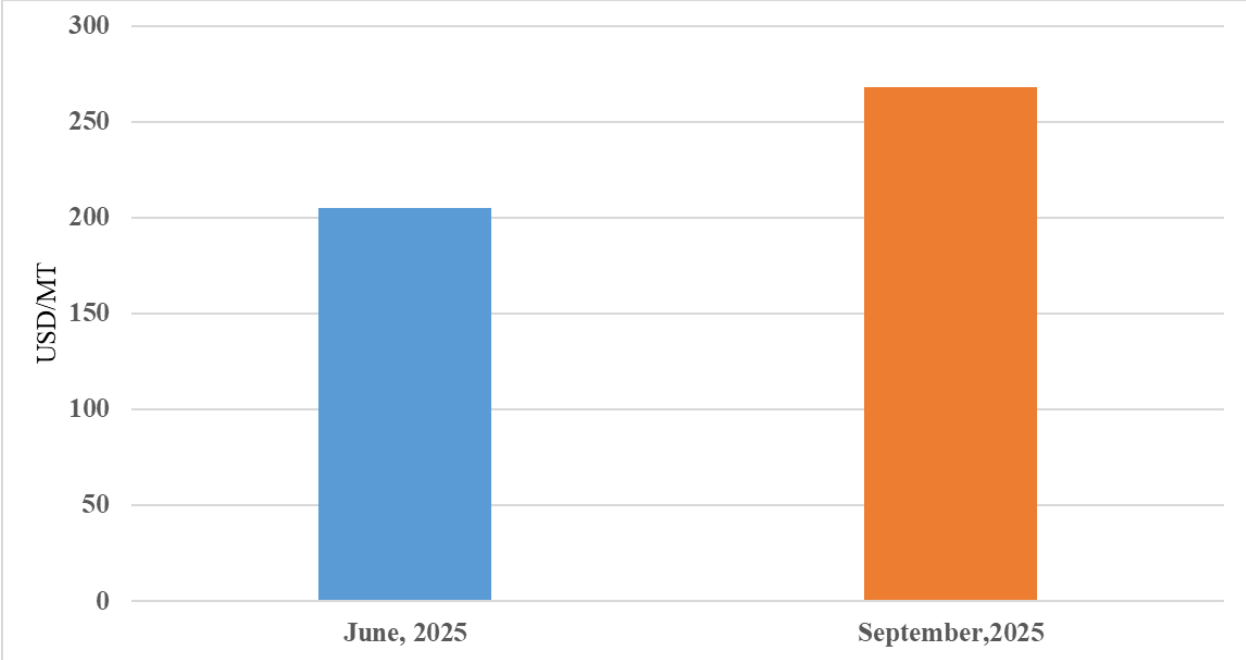
While the floods are an important factor, a fundamental change in the government wheat marketing policy is the main reason for the price volatility. The government's strategy to liberalize the wheat market by eliminating the guaranteed support price and abolishing direct procurement from the farmers triggered a sharp decline in the prices at the time of the last harvest (May-June).

Prior to this procurement policy change, the government was procuring 6-7 million tons directly from the farmer. The State's sudden withdrawal from purchasing, without setting up any alternative market mechanism, resulted in a price plunge during the peak harvest days. Small farmers were severely impacted.

The suspension of procurement by the provincial food departments left flour mills free to purchase and store grain privately, creating conditions conducive to hoarding and speculation. The ensuing lack of policy coordination between provinces with minimal federal oversight further distorted the situation. Punjab's ban on inter-provincial wheat movement is said to have provided influential cartels space to dominate supply and price. A deregulated wheat market increased price volatility, as the government no longer holds enough buffer stocks to stabilize the market. In a bid to stabilize conditions, the

government has also implemented intermittent import and export restrictions, creating additional complications.

Graph A: Wheat Market Price



Source: FAS Office Contacts

Trade

Although the government announced last month that there are sufficient wheat stocks in the country, the rapid increase in wheat prices indicates a market under demand stress. Recent floods have also adversely impacted wheat stocks, adding further uncertainty in the market. Small farmers usually keep enough stock for household consumption and for planting seeds. The government is currently in the process of assessing damage to the farmer’s held wheat stocks in the flood affected districts. The mechanism and quantity of wheat imports will be determined by the government after this damage assessment can be completed.

Based on input from industry and keeping in view current market trends, 2025/26 wheat imports are estimated at one million tons, a reduction from the official estimate last spring.

Landed U.S. wheat prices at Pakistani ports are not competitive, and Pakistan has not imported U.S. wheat since 2010.

Table 1: Production, Supply and Demand Data:

Wheat Market Year Begins Pakistan	2023/2024		2024/2025		2025/2026	
	May 2023		May 2024		May 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	9,033	9,033	9,734	9,734	9,099	9,100
Beginning Stocks (1000 MT)	3,919	3,919	4,970	4,970	4,711	4,711
Production (1000 MT)	28,161	28,161	31,438	31,438	28,980	28,980
MY Imports (1000 MT)	3,590	3,590	3	3	1,500	1,000
TY Imports (1000 MT)	3,539	3,539	3	3	1,500	1,000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	35,670	35,670	36,411	36,411	35,191	34,691
MY Exports (1000 MT)	500	500	500	500	200	200
TY Exports (1000 MT)	500	500	500	500	200	200
Feed and Residual (1000 MT)	1,900	1,900	2,200	2,200	2,000	2,400
FSI Consumption (1000 MT)	28,300	28,300	29,000	29,000	29,500	29,500
Total Consumption (1000 MT)	30,200	30,200	31,200	31,200	31,500	31,900
Ending Stocks (1000 MT)	4,970	4,970	4,711	4,711	3,491	2,591
Total Distribution (1000 MT)	35,670	35,670	36,411	36,411	35,191	34,691
Yield (MT/HA)	3.12	3.12	3.23	3.23	3.19	3.18

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2025/2026 = July 2025 - June 2026

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)**Rice, Milled:****Rice Crop Adversely Impacted by Floods**

Monsoon flooding since mid-August has inflicted significant losses on Pakistan's agricultural sector. The rice belt in Punjab, particularly Gujranwala division (including the Sialkot and Narowal districts) are among the worst hit areas. The adverse effect of these floods is more pronounced in Punjab's basmati producing region. Damages to the rice crop in the Sindh province, known for non-basmati varieties are reported to be relatively limited.

As the rice fields are mostly still submerged in flood waters, the extent of the damage varies by source. Preliminary estimates from the Pakistan Business Forum (PBF) suggest a loss of up to 60 percent, while the recent Rice Exporters Association of Pakistan (REAP) assessment is reporting damage to the rice

crop at 10-12 percent. Based on input from industry and farmer associations, Pakistan’s MY 2025/26 rice production estimate is reduced to 8.0 million tons, 18 percent lower than the pre-flood projections.

The impact of this severe flooding on the rice crop will lead to reduced supply, higher prices for basmati rice, and potential disruptions to Pakistan's food supply.

Trade

Rice exports during the first ten months of the current marketing year were 4.75 million tons, compared to 5.57 million tons during the corresponding period of the last marketing year (Table 2). Except for the first two months of the MY 2024/25, Pakistan's rice exports have exhibited a downward trend due to increased global competition, dwindling of exportable stocks, and falling prices. Considering the pace of exports, the 2024/25 rice export estimate is lowered to 5.2 million tons.

2025/26 rice exports are revised down from 5.2 to 4.6 million tons due to anticipated reduced supplies from the flood impacted crop. During 2025/26, it will be difficult for Pakistan to maintain current export flows to key basmati markets like Saudi Arabia, UAE, the GCC countries, Iran, Iraq, Syria, and Jordan due to the anticipated shortage of exportable supplies. However, non-basmati exports to East African destinations like Kenya and Somalia, and China, are likely to be less impacted.

Renewed competition from India and the infrastructure damage and economic pressures caused by the monsoon floods will also adversely impact the pace of rice exports during the next marketing year.

Table 2: Rice Exports in 2024/25 (metric tons)

Months	Basmati	Others	Total
Nov 2024	52,918	728,964	781,882
Dec 2024	46,160	636,055	682,215
Jan 2025	70,696	506,845	577,541
Feb 2025	83,254	430,828	514,082
March 2025	75,994	436,683	512,676
April 2025	43,895	363,434	407,329
May 2025	59,077	399,785	458,862
June 2025	47,516	225,236	272,752
July 2025	52,339	239,562	291,902
August 2025	49,240	202,997	252,237
Total	581,089	4,170,389	4,751,478

Source: Pakistan Bureau of Statistics

Table 3: Production, Supply and Demand Data Statistics:

Rice, Milled Market Year Begins Pakistan	2023/2024		2024/2025		2025/2026	
	Nov 2023		Nov 2024		Nov 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3,637	3,637	3,900	3,900	3,700	3,750
Beginning Stocks (1000 MT)	2,034	2,034	1,387	1,387	1,619	1,819
Milled Production (1000 MT)	9,869	9,869	9,720	9,720	9,800	8,000
Rough Production (1000 MT)	14,805	14,805	14,581	14,581	14,701	12,001
Milling Rate (.9999) (1000 MT)	6,666	6,666	6,666	6,666	6,666	6,666
MY Imports (1000 MT)	11	11	12	12	10	10
TY Imports (1000 MT)	11	11	12	12	10	10
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	11,914	11,914	11,119	11,119	11,429	9,829
MY Exports (1000 MT)	6,527	6,527	5,400	5,200	5,200	4,600
TY Exports (1000 MT)	6,492	6,492	5,000	4,900	5,200	4,400
Consumption and Residual (1000 MT)	4,000	4,000	4,100	4,100	4,200	4,200
Ending Stocks (1000 MT)	1,387	1,387	1,619	1,819	2,029	1,029
Total Distribution (1000 MT)	11,914	11,914	11,119	11,119	11,429	9,829
Yield (Rough) (MT/HA)	4.07	4.07	3.74	3.74	3.97	3.20
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2025/2026 = January 2026 - December 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments