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Report Highlights:

Based on the Government of Pakistan's (GOP) first official assessment, the 2023/24 wheat production forecast is increased to a record 28.0 million tons. As a result of the higher domestic supply, the 2023/24 wheat import estimate is reduced from 3 to 2 million tons.

Wheat

Record Wheat Production Achieved

Based on the Government of Pakistan's (GOP) first official assessment, the 2023/24 (May-April) wheat production forecast is increased to a record 28.0 million tons, six percent higher than last year's production. GOP will release a final production estimate later in 2023. This record production was due to a significant production increase in Punjab, which produced over a million tons more than last year. The production in other provinces was almost the same as last year.

In recent years, abnormally hot and humid weather near harvest negatively affected output. This year, however, the weather was favorable throughout the growing season, resulting in the record output. Government policies ensured adequate supply of seeds and other inputs throughout the growing cycle, which also contributed to achieving this record output.

The breakdown of wheat production by province is below:

Table1: Pakistan's 2023/2024 Wheat Production by Province

Province	Quantity (MMT)
Punjab	21.2
Sindh	3.8
KPK	1.4
Baluchistan	1.6
Total	28.0

Source: Agriculture Departments of Punjab, Sindh, KPK, and Baluchistan

Due to the desire to replenish strategic reserves, GOP has procured around 6 million tons of wheat from the domestic market. With this procurement, GOP stocks as of mid-June were around 10 million tons. Unlike last year, GOP has yet to start releasing wheat to millers. The government is expected to start releasing wheat to millers in August. Until then, millers will buy wheat from the open market.

Wheat Import Estimate Reduced

In view the record production boosting domestic supply, the 2023/24 wheat import estimate is reduced from 3 to 2 million tons.

Domestic demand continues to expand with population growth, and the record crop production will still be insufficient to meet domestic needs. Additionally, GOP will maintain strategic reserves of more than 3 million tons. And about one-half million tons are estimated to flow into Afghanistan through illegal

cross border trade. So, despite record wheat output, Pakistan will still need to import wheat during the current marketing year, albeit less than in 2022/23.

Last year at this point in the season, due to tight domestic supplies, the Trading Corporation of Pakistan (TCP), a state-owned enterprise within the Ministry of Commerce, had already purchased 500,000 tons. So far this year, GOP is still assessing market conditions and has not yet tendered to import.

During the last few years, TCP did all the wheat imports through open international tenders, and TCP will do the same this year. In June, the flour millers lobbied GOP to allow private sector imports, but GOP rejected the request.

Table 2: Production, Supply and Demand Data Statistics:

Wheat	2021/2022		2022/2023		2023/2024	
Market Year Begins	May 2021		May 2022		May 2023	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	9,168	9,168	9,000	9,000	9,000	8,860
Beginning Stocks (1000 MT)	3,056	3,056	4,530	4,530	3,730	3,730
Production (1000 MT)	27,464	27,464	26,400	26,400	26,810	28,000
MY Imports (1000 MT)	2,210	2,210	2,600	2,600	3,000	2,000
TY Imports (1000 MT)	2,210	2,210	2,600	2,600	3,000	2,000
Total Supply (1000 MT)	32,730	32,730	33,530	33,530	33,540	33,730
MY Exports (1000 MT)	500	500	600	600	500	500
TY Exports (1000 MT)	500	500	600	600	500	500
Feed and Residual (1000 MT)	1,200	1,200	1,700	1,700	1,500	1,900
FSI Consumption (1000 MT)	26,500	26,500	27,500	27,500	28,100	28,300

Total Consumption (1000 MT)	27,700	27,700	29,200	29,200	29,600	30,200
Ending Stocks (1000 MT)	4,530	4,530	3,730	3,730	3,440	3,030
Total Distribution (1000 MT)	32,730	32,730	33,530	33,530	33,540	33,730
Yield (MT/HA)	2.9956	2.9956	2.9333	2.9333	2.9789	3.1603

(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 2023/2024 = July 2023 - June 2024

Rice

Optimum Planting Conditions for Rice Planting

Prospects for the 2023/24 crop remain good, and the production forecast is unchanged. Weather during seeding and transplanting in May-June was optimum in the rice growing areas. Rainfall was good, which reduced the need for irrigation water. The 9 million ton forecast, if materialized, will be the second largest crop ever, marginally less than the record 9.3 million-ton crop in 2021/22.

Rice Exports

The rice export forecasts for 2022/23 and 2023/24 are unchanged. Exports totaled about 2.5 million tons during the first seven months of the current marketing year, compared to 3.2 million tons in the corresponding period last year (Table 3). Despite lower domestic supplies, exports have remained robust. Steady devaluation of Pakistani Rupee against dollar has helped make Pakistan's rice competitive in the world markets.

China remained the major market for exports. Exports to China are mostly non-basmati, lower grade, higher broken rice categories destined for animal feed. Other major export destinations include East Africa, Gulf region and EU.

About eighty percent of exports are coarse varieties, and basmati accounts for the remaining 20 percent. Despite GOP's efforts, basmati exports are flat as the domestic preference for basmati rice restricts exportable surplus. Pakistan's basmati exports also continue to face stiff competition from India.

Table 3: Rice Exports (tons)

Months	2021/22	2022/23
November	473,143	418,207
December	496,208	315,539
January	434,282	228,412
February	458,322	553,408
March	469,140	392,618
April	461,513	330,492
May	425,821	247,078
Total	3,218,429	2,485,754

Source: Pakistan Bureau of Statistics

Table 4: Production, Supply and Demand Data Statistics:

Rice, Milled	2021/2022		2022/2023		2023/2024	
Market Year Begins	Nov 2021		Nov 2022		Nov 2023	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3,537	3,537	3,000	3,000	3,500	3,500
Beginning Stocks (1000 MT)	1,889	1,889	2,650	2,650	857	757
Milled Production (1000 MT)	9,323	9,323	5,500	5,500	9,000	9,000
Rough Production (1000 MT)	13,986	13,986	8,251	8,251	13,501	13,501
Milling Rate (.9999) (1000 MT)	6,666	6,666	6,666	6,666	6,666	6,666
MY Imports (1000 MT)	5	5	7	7	5	5

TY Imports (1000 MT)	5	5	7	7	5	5
Total Supply (1000 MT)	11,217	11,217	8,157	8,157	9,862	9,762
MY Exports (1000 MT)	4,817	4,817	3,700	3,700	4,500	4,500
TY Exports (1000 MT)	4,525	4,525	3,600	3,600	4,500	4,500
Consumption and Residual (1000 MT)	3,750	3,750	3,600	3,700	3,750	3,800
Ending Stocks (1000 MT)	2,650	2,650	857	757	1,612	1,462
Total Distribution (1000 MT)	11,217	11,217	8,157	8,157	9,862	9,762
Yield (Rough) (MT/HA)	3.9542	3.9542	2.7503	2.7503	3.8574	3.8574

(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 2023/2024 = January 2024 - December 2024

Attachments:

No Attachments