

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Pakistan

Grain and Feed Update

Grain and Feed Update June 2013

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Report Highlights:

Government of Pakistan (GOP) procured 5.98 million tons of wheat at the end of 2013 procurement season. MY12/13 consumption figures have been revised upward from 23.4 to 23.9 million tons and ending stocks have been revised downward from 3.4 to 2.9 million tons. MY 2012/13 rice production estimate is revised downward from 6.0 million tons to 5.6 million tons based on field reports that the flood damage in Sindh province was more-severe-than estimated. Pakistan's MY 2012/13 rice exports estimate is reduced from 3.2 million tons to 3.0 million tons due to continuous energy problems facing rice milling industry.

Post:
Islamabad

Author Defined:
Wheat

Government Wheat Procurement Falls Short of Target

At the close of the 2013 wheat procurement season, the Government of Pakistan (GOP) procured 5.98 million tons of wheat or 75 percent of the intended target of 7.91 million tons. The breakdown of the procured wheat by province is shown in Table 1.

Table1: Wheat Procurement by Province/Agency

Province/ Agency	Quantity (Million Tons)
Punjab	3.68
Sindh	1.05
KPK	0.06
Baluchistan	0.05
PASSCO	1.14
Total	5.98

The lower-than-expected procurement is mainly attributed to the government's overly optimistic production estimate of 26 million tons based on satellite imagery forecast of Pakistan's Space and Upper Atmosphere Research Commission (SUPARCO). Additionally, the GOP was anticipating an increase in production in response to its decision to raise the procurement price of wheat from Rs.1050 per 40 kg (\$292/ton) to Rs.1200 per 40 Kg (\$312/ton). Farmers did not respond accordingly, alleging that the increase in procurement price was insufficient to cover the increase in the cost of inputs. Subsequently, as production reports from the field trickled in, the GOP reduced its MY12/13 wheat production estimate to approximately 24 million tons, in line with FAS Islamabad's initial forecast.

MY12/13 consumption figures have been revised upward from 23.4 to 23.9 million tons or two percent higher and ending stocks have been revised downward from 3.4 to 2.9 million tons. According to flour millers and trade contacts, Pakistan's surge in consumption is a result of declining food inflation and its growing population. MY13/14 consumption and stock estimates are also adjusted accordingly.

MY13/14 stocks are adjusted downward from an initial estimate of 3.456 million tons to 2.2 million tons mainly due to the increase in consumption. This situation would lead to tight wheat stocks, the lowest since FY 2003/04, limiting Pakistan's ability to increase its exports.

According to trade sources, around 100,000 tons of wheat flour has so far been exported to Afghanistan during

the current marketing year.

Production, Supply and Demand Data Statistics:

'000 MT and '000 HA

Wheat Pakistan	2011/2012		2012/2013		2013/2014	
	Market Year Begin: May 2011		Market Year Begin: May 2012		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	8,900	8,900	8,660	8,660	8,665	8,665
Beginning Stocks	3,256	3,100	4,256	4,100	3,556	2,900
Production	25,000	25,000	23,300	23,300	24,000	24,000
MY Imports	200	200	200	200	200	200
TY Imports	200	200	200	200	200	200
TY Imp. from U.S.	11	0	0	0	0	0
Total Supply	28,456	28,300	27,756	27,600	27,756	27,100
MY Exports	1,100	1,100	800	800	800	900
TY Exports	300	300	800	800	800	900
Feed and Residual	400	400	400	600	400	600
FSI Consumption	22,700	22,700	23,000	23,300	23,100	23,400
Total Consumption	23,100	23,100	23,400	23,900	23,500	24,000
Ending Stocks	4,256	4,100	3,556	2,900	3,456	2,200
Total Distribution	28,456	28,300	27,756	27,600	27,756	27,100
Yield MT/ha	2.81	2.69	2.69	2.7	2.77	2.77
TS=TD						

Rice

MY 2012/13 production estimate is revised downward from 6.0 million tons to 5.6 million tons based on field reports that the flood damage in Sindh province was more-severe-than estimated.

MY 2013/14 crop production remains unchanged as the Pakistan Metrological Department has forecast normal monsoon rains for this summer that should commence on the last week of June, enabling for a timely transplantation of Basmati rice. The transplantation of coarse varieties has begun and reports are indicating prevailing optimum planting conditions.

Massive electricity load-shedding and gas shortages continue to affect the entire export chain, reducing the milling capacity, while gas shortages have hindered the drying process. Decline in the basmati production is also adversely affecting exports. Consequently, Pakistan's MY 2012/13 rice exports estimate is reduced from 3.2 million tons to 3.0 million tons. As the energy crisis is likely to continue, MY 2013/2014 export estimate is also reduced to 3.0 million tons, with record ending stocks of 1.2 million tons.

Production, Supply and Demand Data Statistics:

'000 MT and '000 HA

Rice, Milled Pakistan	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Nov 2011		Market Year Begin: Nov 2012		Market Year Begin: Nov 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Harvested	2,750	2,750	2,700	2,400	2,700	2,700
Beginning Stocks	500	500	750	700	900	700
Milled Production	6,200	6,200	6,000	5,600	6,200	6,200
Rough Production	9,301	9,300	9,001	8,400	9,301	9,300
Milling Rate (.9999)	6,666	6,666	6,666	6,666	6,666	6,666
MY Imports	54	0	38	0	0	0
TY Imports	65	0	22	0	0	0
TY Imp. from U.S.	52	0	0	0	0	0
Total Supply	6,754	6,700	6,788	6,300	7,100	6,900
MY Exports	3,456	3,500	3,200	3,000	3,200	3,000
TY Exports	3,399	3,500	3,200	3,000	3,200	3,000
Consumption and Residual	2,548	2,500	2,688	2,600	2,700	2,700
Ending Stocks	750	700	900	700	1,200	1,200
Total Distribution	6,754	6,700	6,788	6,300	7,100	6,900
Yield (Rough) MT/ha	3.38	3.38	3.33	3.50	3.44	3.44
TS=TD						