

The DAWN Sarsabz Pakistan AgriExpo

April 4-5, 2013
Expo Centre, Johar Town, Lahore

Vision 2030 is vital

By Ishrat Husain

A FAST growing economy, a rising urban middle class, a predominantly young educated population and the changes in climatic conditions will have serious repercussions on food production, food security, nutritional status and cropping pattern in the not-so-distant future. Although economic growth rates have slowed down in the last five years, Pakistan's long-term annual growth of per capita income has been around 2.5 per cent. It is estimated that in real terms, per capita income had quadrupled four times by 2031. At present, this may look like a Herculean task, but good governance, sound economic management and continuity and consistency in economic policies would make it happen.

This general affluence will be accompanied by a rising middle class. The proportion of the middle class in 2010 is estimated to be one-third of the total population i.e. approximately 60 million. By 2030,

Hyderabad, Gujranwala, Peshawar and Quetta.

By 2030, 67 per cent of the total population will fall in age group 15-64. As life expectancy rates and health standards improve and female literacy rates rise, the proportion of working population with both members of the family earning incomes will also show an upward incline.

Urban Literacy Rate in 2011-12 was 74 per cent compared to 48 per cent in the rural areas. By 2030 not only the urban literacy rate would cross the 100 per cent mark, but the ratio of college and university graduates, skilled and technically qualified manpower and high-end professionals would be significantly large.

These changes in incomes, location, demography, educational and nutritional status would exert a demand for foods very different from the existing pattern. The tastes and preferences of urban, educated middle class with higher income will generate a shift in the food consumption basket away from cereals towards meat, poultry, dairy products, edible oil, fruits and vegetables, sugar, fish, etc.

On the supply side, the rate of increase in

1980s to 3.2 per cent in 2000s.

Any technological breakthrough of the Green Revolution type does not appear imminent in the immediate future and therefore this growth rate is unlikely to improve in the coming decade. There have also been perceptible changes in the composition of national output and agricultural sector.

Agriculture now accounts for only one-fifth of the national output and this share in all probability will slip downwards to 12-15 per cent by 2030. Surplus Agriculture labour force that is about 40 per cent presently will also move out and is expected to be absorbed in the fast-growing urban centres and burgeoning services sector.

Educated labour force would not stay in agriculture unless new technologies or innovative practices requiring skilled manpower are introduced. Rough estimates put the labour force working in agriculture and agriculture-allied activities at 30 per cent of the total employed by 2030. Unless these constraints are removed, the domestic food supply situation does not look as promising as it did in the decades of 1980s and 1990s.

Historical evidence, however suggests, that labour and land productivity gains can take care of the additional demand for food, provided all the inputs such as energy, irrigation water etc. are available proportionately and input price hikes do not outstrip the output price increases. Productivity per unit of land and per unit of water in Pakistan relative to Indian Punjab is low and there is thus much scope for increasing productivity.

Furthermore, the mix of agriculture output has to change from staple grains and cereals to high-value agricultural commodities. Livestock and dairy products now account for more than 50 per cent of the agriculture value-added products, while 35 per cent originates from the major crops, 11 per cent from minor crops (lentils, fruits, vegetables etc.) and three per cent from fisheries and forests.

By 2030, the contribution of Livestock, dairy sub-sector and minor crops will have to rise at the expense of grains and cereals. There are a host of sectoral reforms that have to be implemented in the next 20 years to achieve the postulated productivity gains and meet the changing demand pattern.

The most important reform to make the agriculture sector efficient – remunerative for the farmers, competitive for the consumers and responsive to the changing demand pattern – has to be in the area of agriculture marketing.

The present collusive marketing system where the petty officials of Agricultural Departments and the cartels of *arthritis* or middle men are causing havoc to both the consumers as well as the producers will

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Punjab must lead the front

By Ahmad Fraz Khan

AFTER the adoption of the 18th Amendment by the National Assembly on April 8, 2010, the agriculture sector became an almost exclusively provincial forte. The provinces should have been wise enough to have done some homework before negotiating the ownership of the sector. But, unfortunately, they did not. To make matters worse, they are refusing to be wise even after the event.

It sounds especially true for Punjab, known as the food basket of the country by virtue of its 80 per cent contribution to the agricultural economy of the country. The province is still to prepare a well-defined and time-bound policy for ruling the sector. There is no policy document, not even a paper or brief in the provincial possession.

Some general attributions can be found on the websites of different departments like Agriculture, Livestock, P&D etc. The entire policy, if it can be so called, is restricted to projects – either conceived by the bureaucracy or prepared by the lenders. Since they bring money (loans) and political mileage (selling to the media), no one seems to be bothering about their effectiveness, or lack of it.

Punjab needs to have a clear policy, broken into long- and short-term objectives and goals with committed financial and administrative resources, and backed by political will for implementation. Such a policy will certainly have dozens of contours that can be suggested and debated. But it would be better if the Punjab, somehow, is able to integrate the sector instead of breaking it into sub-sectors and then further dividing it to accommodate politicians.

The province needs to realise that sheer spread of agriculture institutions is mind-boggling at this point of time; universities, research organisations, extension wings, private businesses, commercial activity and industry – all of them have converted the sector into a policy diaspora.

Without any central planning agent, no one knows what they are doing and how to achieve what.

It needs to integrate all its agriculture-related efforts and bring them at one point – under one umbrella. That is the model that the world has adopted in the last few decades. Why cannot Punjab try it?

It should create a central planning secretariat, which may take care of the entire agricultural spectrum, with all its sub-sectors – horticulture, irrigation, livestock, forestry, food and fisheries. All of them overlap grossly and create planning and practical confusion in the official circles and on the field.

Currently, all of them are independent departments, headed by some jealously independent bureaucrats, who come from the most privileged district management group (DMG) of the central superior services (CSS). Under them, these departments have become independent fiefdoms. All of them have their independent budgets, planning wings and finance division, conceiving their own projects and spending money – without consulting or knowing what others are doing.

Each secretary has his own vision, working ethics and rules to run the department. Frequent transfers and postings at the top level, mostly for political reasons, ensure further confusion. In the last four years, the Agriculture Department has had six secretaries, while the Irrigation and Livestock departments had five each. With

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Educated labour force would not stay in agriculture unless new technologies or innovative practices requiring skilled manpower are introduced. Rough estimates put the labour force working in agriculture and agriculture-allied activities at 30 per cent of the total employed by 2030.

Pakistan's population would be around 260 million and if the current trend of urbanisation and income growth persists, about 150 million people will fall in the middle income class category. Their incomes and living standard would be comparable to those in Southern European countries with average incomes of over \$20,000 a year.

This class will comprise mainly of professionals, businessmen, public, private, NGO sector executives and services providers etc.

More than 60 per cent of Pakistanis will be living in mega cities, metropolitan areas, large cities, towns and peri-urban localities by 2030. Urban population growth rate has been twice as fast as rural because of migration. The pull factor of the cities largely due to better jobs and livelihood opportunities act as a magnet for the migrants to Karachi and Lahore. Other big cities by 2030 would be Faisalabad, Rawalpindi, Multan,

global food output has slowed down. Rates of investment in agriculture are lower, competition for water and land is becoming tough, the pace of new technology and innovation breakthroughs has slowed down, cost of production is rising due to high petroleum prices and the subsidy policies of high income countries continue to create price distortions in world commodity markets.

Projections show that real prices for food and the inputs for agricultural production will remain higher for the coming decade compared to the past decade. This implies that Pakistan will be better off if it plans to produce food items domestically by taking advantage of its irrigated land, low-cost labour and technological innovations.

In Pakistan, the average growth rate of agriculture has decelerated from 5.4 per cent in the

