

The Business

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Potential of Pakistan's agriculture sector

DR. SHOUKAT ALI

Pakistan is one of the 11 largest countries in the world with a vast and fertile agricultural land. About 42.3% of the country's workforce is engaged in agriculture. It also has the largest canal system in the world. Nature, across the country has given us a warm, cold, and mild climate in which a number of crops can be grown successfully. Despite having such vast agricultural resources, Pakistan has to import agricultural commodities which is a matter of concern. Pakistan's agricultural imports are currently exceeding 8 billion dollars annually. Most of these imports include edible oil, cotton, wheat, sugar, tea and pulses etc. When we see that our agricultural imports are touching the petroleum imports, it is quite natural to look at the productivity and potential of the agricultural sector.

The question is whether Pakistan's agricultural sector has become non-productive or are we lagging behind due to improper use of our agricultural resources. The fact is that we can not only be self-sufficient but can also export agricultural commodities by utilizing the immense agricultural resources bestowed by nature.

Let us first mention the important traditional crops of Pakistan. The potential of approved varieties of wheat, cotton, sugarcane and rice etc., in Pakistan is usually debated. It is said that the varieties released by our research institutes have low productivity. This may be true for only one or two major crops, but most of the crop varieties have the best production potential. The question is, are our farmers harnessing the potential of these varieties? The answer to this question is shocking which can be observed in the table below.

As you can see in the table, the potential yield of the approved varieties of cotton is more than 40 maunds per acre, while the national per acre average yield is less than 6.5 maunds. It is not the case that these varieties are not producing good results in the field. The farming community is aware that the progressive farmers in most of the villages are getting a cotton yield of about 30 maunds per acre with the help of these varieties. Pakistan imported about 5 million

bales of cotton last year. If our per acre average yield increases by just four maunds, there will be no need of imports. Increasing cotton production by 4 maunds per acre is not a difficult task. If the farmers have a good understanding of modern production technology, the certified and pure agricultural inputs available in the market, and have adequate financial resources to access these inputs, then the yield per acre can be increased even more. The same is true for other crops. By increasing the production of wheat by only 4.5 maunds per acre, we can get 4 million tons of extra wheat of about two billion dollars. We are already exporting rice. By increasing the per acre yield, we can generate additional foreign exchange.

It is important to talk about oilseed crops (mustard, sunflower, soybean) because, approximately four billion dollars worth of valuable foreign exchange is being spent on annual imports of edible oil and oilseeds. These imports can be reduced by increasing the area and per acre yield of these crops. Intercropping is a successful way to increase the area under cultivation. Eight to ten maunds per acre can be obtained by intercropping soybean, especially with seasonal maize. Seasonal maize is being cultivated on more than 1.2 million acres in Punjab. Therefore, 10 million tons of soybean can be produced by the said intercropping. Soybean is a newly introduced crop in Pakistan and further research is in progress. If we succeed in developing a variety that can be grown in spring maize, it will be a revolutionary step in soybean production. There also is an ample potential of intercropping pulses, especially with sugarcane. In this way, we can increase the cultivation area of pulses crops that can reduce the import of the pulses. Masoor and grams can be successfully intercropped in September while sowing sugarcane, whereas, moong and mash crops can be intercropped during spring.

About 20 million acres of culturable wasteland in Pakistan can be brought under cultivation. The biggest hurdle to materialize this potential is the unavailability of water. First, the water problem can be solved by building dams. Second, land levelling is another potential practice to save water. Up to 50% of water can be saved by leveling agri-

cultural lands. Through levelled lands we can not only save water but also increase the productivity rate by up to 10% as compared to uneven lands. Mulching of land and bed sowing can also save up to 60% of water. Drip irrigation, on the other hand, can save up to 60% of the water but it is an expensive alternative. By building new dams or adopting water saving agricultural practices, the water requirement of culturable waste can be matched.

Khyber Pakhtunkhwa has more than 70 million wild olive trees which can be grafted by high yielding varieties. If we succeed, this grafting through the participation of local people can allow Pakistan to export olive oil. Apart from these wild olives, olive orchards can be established in Khyber Pakhtunkhwa, Balochistan and Punjab. Punjab, especially the Potohar area, has been declared as an Olive Valley. About 1.2 million plants have been planted in Potohar and more can be planted.

Whereas, the area of Cholistan has been declared as the grape valley, where grape cultivation can be promoted. The value addition of grapes is another potential. It will not only increase the industrial production but also increase the annual income of the local people in South Punjab.

The agricultural lands in Pakistan are being inherited from generation to generation under the Islamic Inheritance Law, which is gradually reducing the per capita land holding. Small agricultural units are generally not considered as an economic land unit. But this threat can be turned into an opportunity through value addition strategy. By promoting value addition in rural areas, the income of small farmers can be significantly increased. It is feasible because there is no shortage of manpower in rural settings. Through value addition in agriculture, farmers can not only be saved from deficit, but this strategy can also overcome the problem of unemployment.

A similar situation exists in the livestock sector. In Pakistan, the share of buffalo milk in total milk production is about 62%. The national average production of Nili-Ravi buffaloes is 2300 liters per lactation, while its production potential is around 5000 liters. With proper care of high yielding animals, milk production can be significantly increased. The encouraging aspect is that the milk of all indigenous

breeds, including the Nili-Ravi and Sahiwal-cows, is of A-2 category, which is considered to be healthier as compared to A-1 category. Due to the increasing demand for A-2 milk in Europe, its prices have risen significantly. It should be noted that the milk of imported breeds (Holstein Friesian, and Jersey, etc.) is of A-1 category which is being considered unhealthy. The possibility of exporting milk to European countries by increasing the production of local breeds cannot be ruled out.

Ostrich and rabbit farming cannot be undermined if we want to produce surplus organic meat in Pakistan. It has more production potential than calves. Both can be raised in rural areas like other animals on green fodders. These animals have a very good feed conversion ratio and enormous potential to significantly increase the income of the rural people. A large segment in Pakistan can consume ostrich and rabbit meat. In addition to meat, rabbit skins are used to make a variety of products that are valued in the international market. Therefore, rabbit farming will also produce industrial raw material for value addition.

Similarly, with the help of non-traditional fish farming techniques, the production of fish can be significantly increased. Especially in agricultural areas where canal water is not available and ground water is saline, shrimp farming can be practiced. There is a lot of demand for shrimp in the international market which can be exported to earn valuable foreign exchange. Moreover, there are also two species of fish, tilapia and grass carp, which can be raised on duckweed only. Duckweed is a fast-growing aquatic herbaceous plant. The production cost of fish raised on duckweed, will be very low and their meat will also be organic, but initially, it will require a pilot project. Evidently, Pakistan has an immense potential in the field of agriculture which has been selectively highlighted here. By materializing this potential, we can not only meet the needs of the country but can also earn substantial foreign exchange by exporting surplus produce.

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Let devolution work

With the approval by the Punjab cabinet of the Punjab Local Government Bill (PLGA) 2022, the province is set to have yet another mechanism of local bodies. The new bill has, among other good measures, enhanced the quota of reserved seats for the youth to empower young people, and also introduced better representation of women at the higher tiers of local government. Nine metropolitan corporations are envisaged in five large cities. Under the PLGA-2022, Faisalabad, Gujranwala, Lahore, Multan, and Rawalpindi will have metropolitan corporations with restored town administrations. Metropolitan corporations will also be created in four divisional headquarters: Bahawalpur, Dera Ghazi Khan, Sahiwal, and Sargodha. The Punjab government is also planning to establish 14 municipal corporations in fast growing cities such as Burewala, Chiniot, Ferozewala, Hafizabad, Jhang, Jhelum, Kamoke, Kasur, and others. These rapidly growing cities deserve better local bodies systems and that is possible only if they have their own well-established and functioning municipal corporations.

At the moment, there is a disparity in basic municipal services not only in various cities of Punjab but in the rest of the country as well. A major problem with the local governments introduced by successive governments is that the provincial assembly and bureaucrats strive to retain most of the departments that should be the domain of districts. Per the new LG bill in Punjab, at least 10 provincial departments will experience devolution to the district level. Some of them are arts and culture, civil defence, primary and public health, primary education, family planning, etc. The proposed system has also enhanced focus on women's representation. Traditionally, women have not had their due share in local government and administration across the country at all levels. Now they will get one-third representation in the higher tiers of local bodies Punjab. There is also a provision for the establishment of the Punjab LG Commission to settle disputes and act as a guardian to protect the autonomy of the local bodies setup.

Other provinces have also been facing difficulties in their local government affairs, with political parties holding provincial power reluctant to devolve matters to the local level. It is time to finally stop messing with the local bodies system in all provinces. After the elections, let them work with their constitutional and legal autonomy. Nearly all provinces have been experiencing one hurdle after another in the establishment and functioning of their local administrations. Provincial assemblies and the bureaucracy must realize that, other than conducting audits, they are not supposed to meddle with local affairs at the cost of locally elected representatives. Violation of LG laws is not in favour of the provincial public administration. Strengthening of the administrative and technical capacity of the local government should be a priority in all provinces and public service commissions must function independently and without any interference from provincial authorities. Other provinces should also learn a lesson from Punjab in terms of abolishing excessive number of toll plazas. With higher inflation and increasing transport costs, citizens are already reeling under tremendous financial pressure. In all this, provincial governments must remember that our constitution mandates that power be transferred from the provinces to elected local bodies, since the closer a representative is to the voters the better they will be able to serve their needs. This is a right that needs to be upheld throughout the country.

DR FARRUKH SALEEM

April 11: Mian Muhammad Shehbaz Sharif took oath of the prime ministerial office. On April 11, the SBP's liquid foreign exchange reserves stood at a paltry \$10.4 billion less than seven weeks of import-cover. The maturity breakdown of short-term net drains on foreign currency at the SBP was \$1.6 billion within 30 days, \$4.2 billion within 90 days and \$15 billion within a year. Lo and behold, on April 11, Pakistan was a mere 80 days away from a potentially disastrous sovereign default. Yes, the PTI had left behind a perfect storm. June 20: Pakistan submitted to the Financial Action Task Force (FATF) that Pakistan had largely and substantially completed 34 points of two simultaneous action plans. The good news is that the FATF accepted the compliance. The next step is verification of compliance for which a mission will come to Pakistan for an 'onsite inspection'. The good news is that Pakistan is now on the cusp of exiting from the FATF's dreaded 'gray list'.

June 21: The good news came from the IMF's resident chief in Islamabad who said that "important progress has been made over the FY23 budget." Our Ministry of Finance declared that a 'broad agreement' had

Soft on the TTP

MUHAMMAD AMIR RANA

After a mild outcry from the concerned citizenry as well as the Pakistan Peoples Party (PPP), the military leadership has reassured the political leadership that no extra-constitutional deal will be made with the proscribed Tehreek-i-Taliban Pakistan (TTP).

A press statement issued after the National Security Committee meeting last week mentioned that an in-camera session of parliament will be called, in which the Leader of the House — ie, the prime minister — will take other leaders on board. The statement has given the impression that the issue of talks with the TTP has been resolved amicably with the political leadership.

Whatever the case may be, it is worth noting that the political leadership has since long given up on security issues. It now blindly trusts the security establishment's insight on such affairs. It seems almost preposterous to even consider that they would ask the establishment under what constitutional or political framework talks with the terrorist group were even initiated. Which framework will be used to bring the erstwhile terrorists under the orbit of Pakistan's Constitution, which they do not recognise?

The political leadership was not much bothered when the so-called Protection of Pakistan Ordinance 2014 was introduced in parliament, a clause of the Pakistan Army Act extended to civil legal jurisdictions, and terrorists declared 'enemy aliens'.

The text of the Act on the website of the National Counter Terrorism Authority describes the "enemy alien" as a person who fails to establish their citizenship of Pakistan and is suspected to be involved in waging war or insurrection against Pakistan or depredation on its territory, by virtue of involvement in offences specified in the Schedule. The Schedule includes an extended inventory of offences, most of them covered under Schedule 6 of the Anti-Terrorism Act of 1997, and further includes offences committed outside Pakistan against national interests, and cybercrimes to attack foreign interests in Pakistan. The TTP had committed nearly

all of the offences mentioned in the ordinance. The ordinance is a reminder of how state institutions kept changing their approach to combating terrorism, and civilian leadership kept endorsing those changes without even pausing to give them a second thought.

According to figures derived from the Pakistan Institute for Peace Studies' digital database on conflict and security, the TTP alone, excluding break-away factions and affiliated local groups, has carried out 3,280 terrorist attacks in Pakistan since its establishment in 2007. These include 301 suicide bombings, which claimed 7,488 lives and wounded 15,086 others. Through these attacks, the group martyred 2,577 personnel of security and law-enforcement agencies (530 FC men, 992 policemen, 117 personnel of unspecified paramilitaries, 815 army soldiers, 83 Levies and 40 Rangers officials), and 4,559 civilians, which includes 107 government officials, 554 political leaders and workers, 519 pro-government tribal elders, and 14 workers of CPEC-related projects. As many as 352 militants were also killed in these attacks, who were either suicide bombers or were killed in retaliatory fire by security forces. Since 2007, about 1,200 personnel of the security forces also lost their lives in kinetic actions and armed clashes and encounters with militants, mainly of the TTP and affiliated groups. The picture gets even more complex if sectarian and communal attacks launched by the TTP and its former splinters, such as Hizbul Ahrar and Jamaatul Ahrar, are also counted.

Strangely, after reports first emerged of peace talks with the TTP, there was no major reaction. Only a few voices from the families of victims of the APS Peshawar attack, and those political parties which had suffered the worst of terrorist violence, such as the PPP and the Awami National Party (ANP), made any noise. The ANP's and PPP's reaction is understandable. The TTP has claimed killing their top leadership, including Benazir Bhutto. However, these two parties never mobilised the masses on this issue. Other major parties in the current government are less concerned. The JUI-F always supported the idea of talks with the TTP be-

cause of their ideological affinity, while the PML-N is more focused on preserving its political capital and the economy. The compulsions and shortcomings of political parties notwithstanding, more surprising has been the lack of response from civil society. Yes, the economic crisis may have left people unable to think about much else, but even victims of terrorism have so far not mobilised to register their protest. It is important to understand why.

A deconstruction of terms historically used to describe militancy and armed movements exposes structural issues pertaining to politics, nationalism, identity, religion and the balance of power within state institutions. Not too long ago, citizens were not ready to accept that the Taliban or other religiously inspired militant groups could be involved in terrorism against Pakistan. Their actions outside the country had been depicted as acts of jihad. These militant groups had a history of serving the state and its institutions, and were frequently labelled 'saviours', 'patriots' and 'mujahideen' before they were ever declared militants or terrorists.

Instead, the pro-establishment media and opinion-makers frequently used the term 'treason' to refer to separatist movements in East Pakistan, Balochistan and ethnonationalist movements in Khyber Pakhtunkhwa and Sindh. People would connect those terms to those specific contexts, and when the terms were used out of that context, it took time for them to be re-contextualised. For instance, when a religious leader was first called a traitor, it may have sounded unfamiliar to the ears of the layperson. Public opinion in Pakistan therefore took time to adjust to the different meaning of terms such as 'traitor', 'miscreant' and 'enemy' when they were applied to religiously motivated militants after 9/11. Society was still digesting the new terminology and gradually accepting the TTP, Al Qaeda, IS-K, and LeJ as enemies of the state and society when state institutions seem to have suddenly upended that process. This has created more ambiguity within society, and its dynamics can be discussed at some other time in these pages. Till then, suffice it to say that the state seems to have

Good news

been reached. In my opinion, a 'broad verbal agreement' has been reached. This will be followed by a written Memorandum of Economic and Financial Policies (MEFP). The MEFP would then have to be signed by the minister of finance and the SBP governor. This signed MEFP would be sent to the IMF Board whose approval will result in a disbursement of \$900 million. The real good news here is that PM Shehbaz Sharif has managed to avert a potentially disastrous sovereign default.

June 21: Good news from Roshan Digital Accounts (RDA). Dollars coming into RDAs hit the highest-ever daily figure of \$57 million. Total RDA deposits now exceed \$4.5 billion.

June 22: Good news from China. A Chinese consortium of banks signed a \$2.3 billion loan facility which would take the SBP's liquid reserves to over \$11 billion. The same day the price of oil in the international market came down to \$107 per barrel from a high of \$128 per barrel some three months ago — that's a drop of over 15 per cent. Yet to

hear good news from Saudi Arabia and Qatar. The World Bank had delayed the approval of a \$400 million policy loan. There could be some additional good news coming from the Beijing-based Asian Infrastructure Investment Bank. There could be \$2 billion worth of project loans from the Asian Development Bank (ADB).

The Punjab government is expecting inflows of \$545 million from the World Bank, ADB, Danish International Development Bank, French Development Agency, International Fund for Agricultural Development, Foreign Commonwealth & Development Office and Japan International Development Cooperation Agency. The last day of the week, however, had some bad news when the stock market crashed in the wake of 10 per cent supertax. This has certainly been a week of good news, but we are not out of the woods. The IMF has estimated that our gross external financing needs will hit a high of \$41 billion. That's unsustainable. We must put our house in order. We cannot continue to lose half a trillion rupees a year in our power sector. State-owned enterprises cannot continue to lose a trillion rupees a year. Cartels cannot be allowed to keep Pakistan uncompetitive in the global marketplace. And trillion-rupee leakage in public procurements must be made a thing of the past.