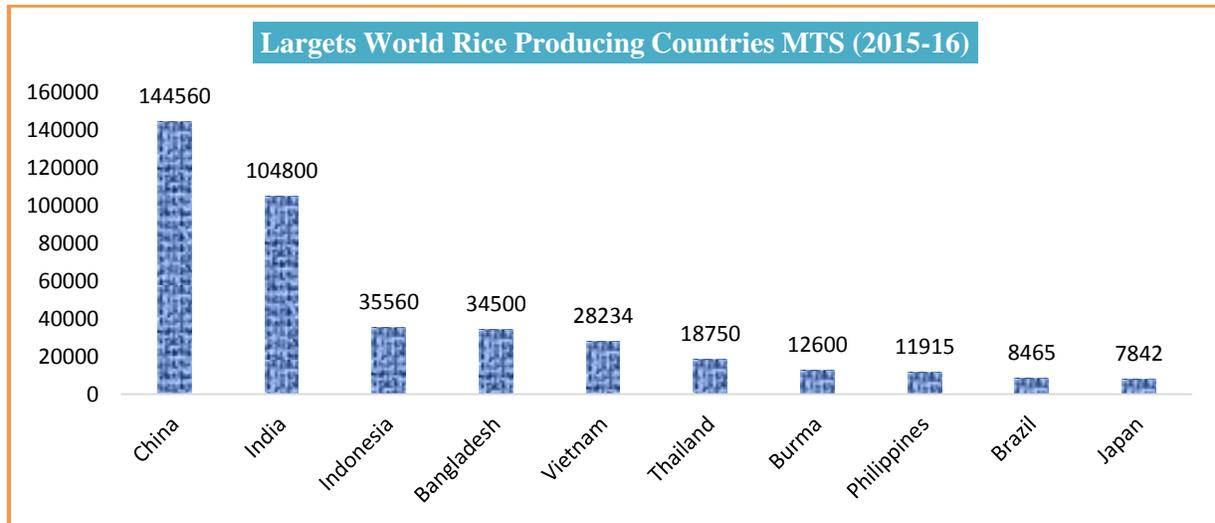


RICE VIABLE FACTS

Rice is the second largest commodity used as staple food and cash crop in Kharif season. Pakistan is one of the largest rice producing countries, after wheat its annual production around 6 million tons. The country is 11th largest rice producer in the world and 3rd largest crop in term of area after wheat and cotton (REAP, 2017).

World Rice Production Outlook:

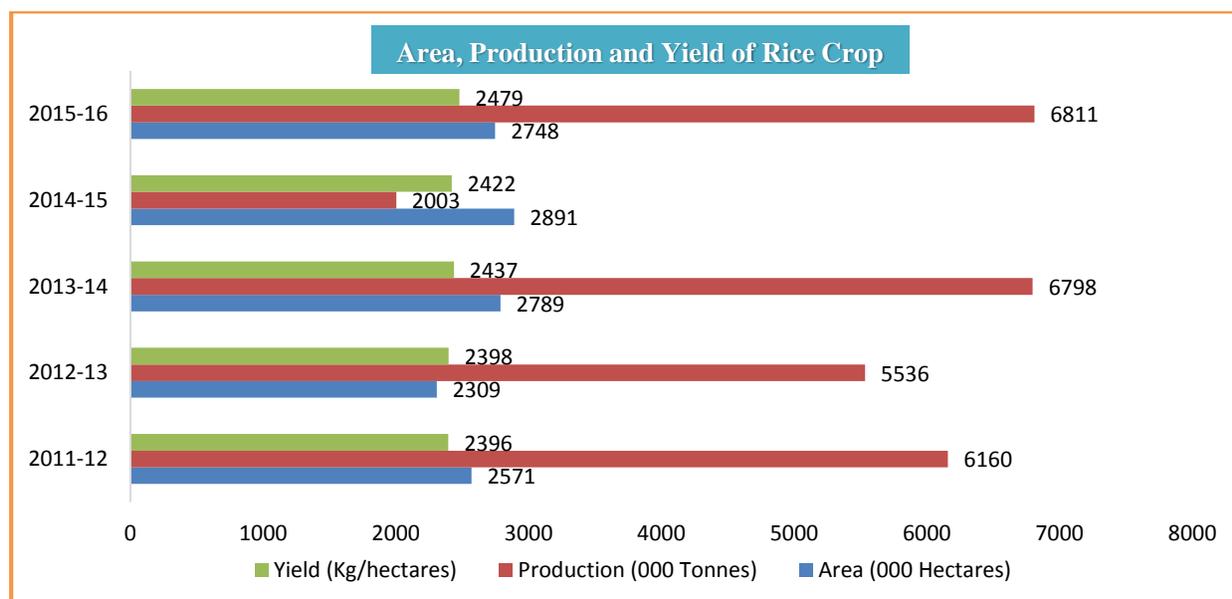


Source: United States Department of Agriculture (2015-16)

Its domestic consumption crosses approx. 2.5 million tons annually that 0.98 kg in rural and 0.97 kg in urban monthly, so called poor man's meal. Rice output during previous crop season had witnessed 0.7 percent increase as against the set targets, it added. According to an official document, about 9.6 million tons of rice would also be produced in the country to tackle with the domestic consumption as compared the production of 6.849 million (PAR, Aug. 16, 2017). It accounts for 3.1 percent in the value added in agriculture and 0.6 percent of GDP (2015-16).

Pakistan is likely to witness a revolution in paddy production in next couple of years because of Chinese cooperation with the government and private sector in the field. Pakistan is trying to become the hub of rice production under CPEC agricultural policy. The local private sectors and Chinese experts are generally contributing to achieve this target. Sindh have witnessed a revolution in paddy yield during last couple of year due to hybrid rice cultivation. An average, modern hybrid rice varieties are already being sown over 1.5 million acres of land in Sindh. Since the hybrid rice average yield is more than 100 mund per acre, the cultivation if adopted in

Punjab could increase the annual rice production of the country to double digit. (The Nation, Oct. 13, 2017).



Source: Pakistan Bureau of Statistics (2015-16)

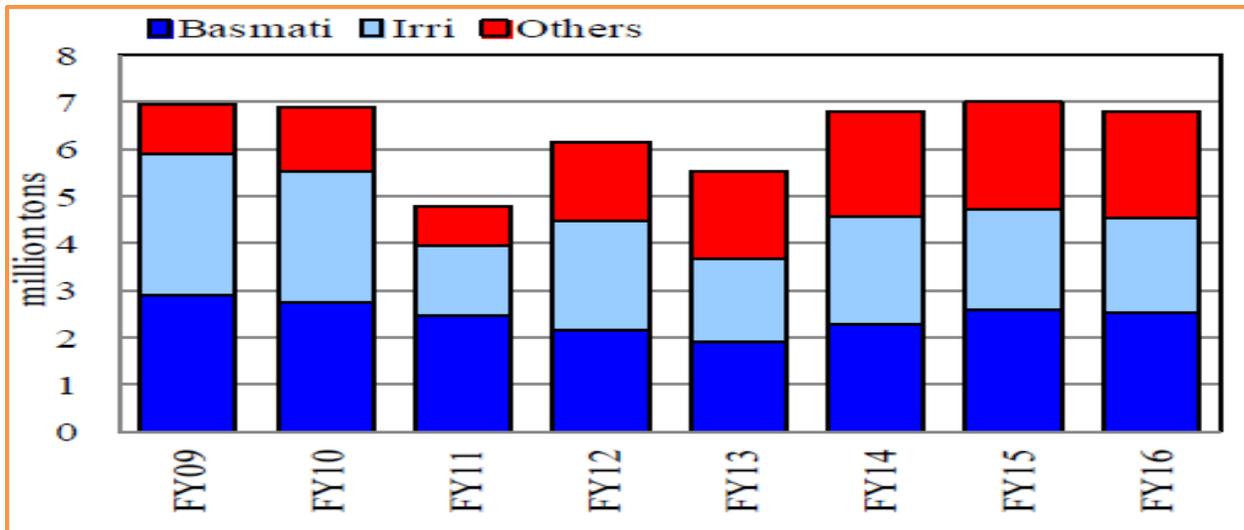
The private business organization Guard Agricultural Research Services (GARS) expected to introduce hybrid basmati variety next year with higher per acre yield and long grain. The association has set a target for the basmati hybrid having yield potential of 80-maund or above with grain length of 8mm or above (KKRI, 2017 and PAR, June 2, 2017).

World Rice Balance at a Glance (Millions Tonnes):

	2014-15	2015-16
Production	494.4	490.1
Trade	44.6	44.7
Total Utilization	491.5	496.4
Food	395.2	399.7
Ending Stock	173.9	168.9

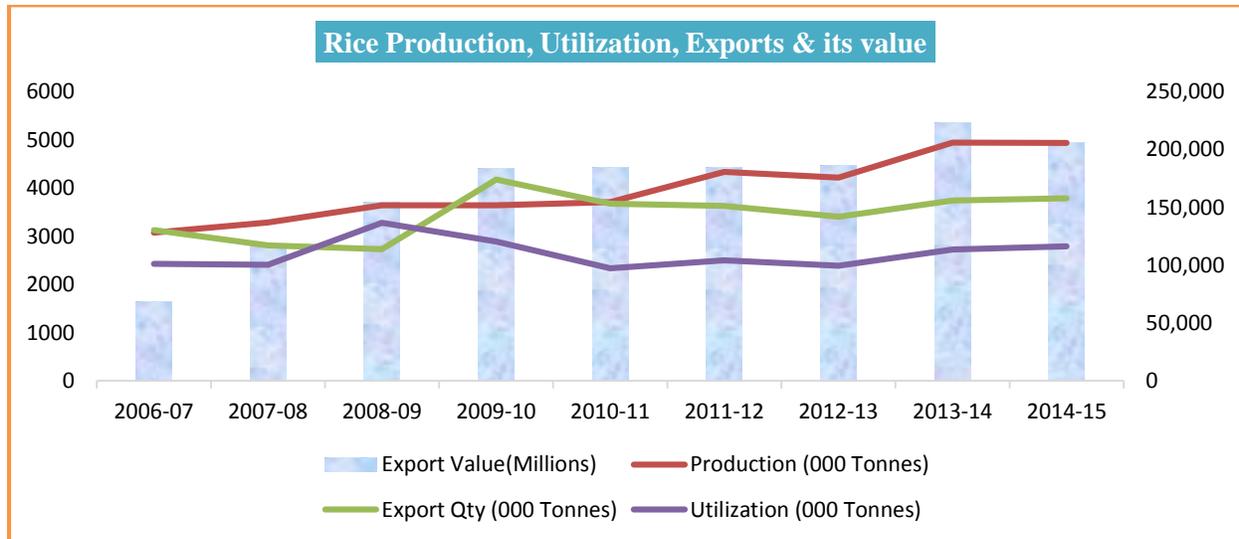
Source: FAO-United Nations (2015-16)

Pakistan produces different varieties of rice, some popular export varieties are Basmati 2000, Basmati-385, Basmati-198, Super Basmati, Basmati 370, Kernal, Shaheen (Basmati) and some other varieties IRRI – 6, IRRI – 9, PG (IRRI), KS 282, DR (REAP, 2010).



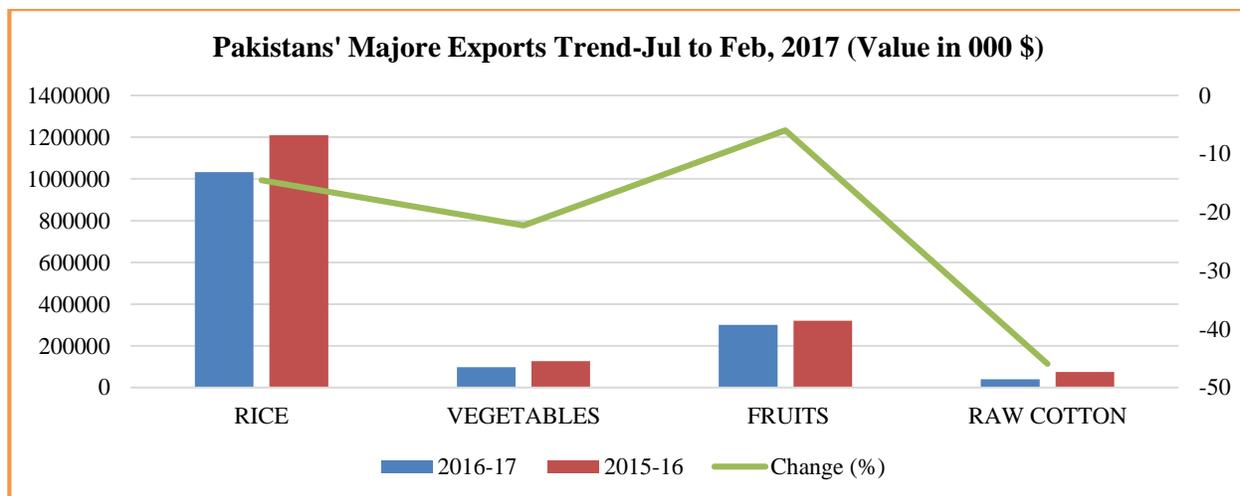
Source: Pakistan Bureau of Statistics (2015-16)

Basmati is a premium long grain variety of rice, highly valued for its aroma and flavor and exclusively grown in certain parts of the Punjab. The adulteration of basmati rice with other cheaper varieties has become an area for potential exploitation. The demand of parboiled rice is increasing day by day because Parboiled rice is rice that has been boiled in the husk. Parboiling makes rice easier to process by hand, improves its nutritional profile, and changes its texture.



Source: Trade Development Authority of Pakistan, OECD-FAO (2015-16)

Due to quite effective in technological development Pakistan is comparatively low than China, USA, North Korea, South Korea, India, Bangladesh, Vietnam, Philippines, Brazil, Egypt, Iran, etc. It needs to increase in order to sustain food security at home and maintain our share in world markets.



Source: TDAP-Trade Development of Pakistan (2016-17)

The world rice market is depressed and all the exporting countries are facing tough competition and prices are on gradually declining trend. Pakistan's rice Basmati falls in higher rate as compare to Thailand or U.S Long Grain rice. Pakistan exports rice around 3800 thousand metric tons, now it's quite profitable. Pakistan's export rice prices were too low, and many farmers made losses. Exports will harder in future, since some countries which used to import rice now producing its own and not rely on import. Pakistan's 5% Broken white rice was traded in previous years at Rs.34842 PMT FOB, with 25% Broken STX at Rs.31990 PMT FOB (REAP, 2012). Later on better rates encouraged the growers to invest more in this crop. But investments are now going down to drain. The middleman is making money by depressing the prices. Government should alive; the export figure could easily touched \$1.5 billion, and can take huge financial benefit at national level. The government can afford this situation, but farmer not because whose survival is depending on rice crop. We should set a goal of increasing producer's incomes instead of its exports.

China is world's major consumer of rice in the world and it imports 30 percent to 40 percent of its demand from Pakistan . The country's rice export to neighbor country could become double if its farmers adopt modern method of agriculture. Under CPEC project, Pakistan should focused to Chinese rice imports, and can take maximum monetary paybacks.

Government should configure a vital policy for rice growers that benefit majority of rice producers. Actually rice farmers are facing structural issues because of unchallenged and unchecked hoarding by middleman. Government takes effective measures and introduces the scientific crop monitoring system in country to strengthen the rice producers and minimize the

role of middleman by providing micro finance and technical support. Then Pakistan will be able to ensure availability of basic staple food at affordable prices to common man in domestic market and make healthy business by its exports. By strengthening the rice producers by providing subsidy on agro-inputs and can attract new investors by reducing export barriers. Our neighboring country India subsidizes to growers as well as rice exporters, but this seriously affected the rice export of Pakistan, and decline more than 30 percent. This discourages the domestic farmers who are already facing various challenges due to past two consecutive floods. We maintained buffer stocks to encounter hoarders (middleman) and speculators. These buffer stocks may helpful in any uncertain situation emerging in the country to control price levels and insured food security.