

Planning Commission. *Report of the Task Force on Food Security.* Islamabad: Government of Pakistan. February 2009.

The Report on Food Security¹ was prepared by the Task Force set up in the Planning Commission by the Prime Minister of Pakistan in May 2008 to: (i) review the production, availability, storage, and consumption of essential food commodities in Pakistan; (ii) examine the food procurement system and status of storage facilities; (iii) analyse price trends of essential food commodities; (iv) assess the impact of (food) price hike (observed in 2007-08) on vulnerable groups; and (v) devise an action plan for promoting food security for the vulnerable groups. It produced two Interim Reports in July 2008 and September 2008 before the submission of the Final Report in February 2009.

The setting up of the Task Force by the newly elected government soon after it had taken over was timely in that it preceded the start of the '*Rabi*' sowing season for the next (winter 2008-09) wheat crop, the staple food in Pakistan. It must also be seen in the context of the unprecedented increase in global food prices in 2007-08 and rising threat of hunger and food insecurity, especially in developing countries. The need for evolving a comprehensive national strategy for food security was therefore pressing and urgent.

The main elements of the national strategy for food security identified by the Task Force are: (i) achieving a growth rate of at least 4 percent during the next decade (2010-2020) for agricultural sector with special focus on livestock sub-sector; (ii) setting up an efficient food procurement and distribution system for ensuring around the year food security in all regions of the country; (iii) adopting a pro-poor growth strategy to enhance access of poor households to food; (iv) establishing transparent and efficient safety nets for the vulnerable groups. An important contribution of the Report was the construction of a food security index (FSI) incorporating (with suitable weights) major aspects of food security. It also recommended the adoption and frequent updating of the proposed FSI to monitor food security situation in the country.

The Task Force argues that deteriorating terms of trade (TOT) during 2000 to 2008 had depressed agricultural growth and resulted in increased imports of food items. The Task Force supports a high procurement price for wheat (Rs 900 per 40 Kg). It also recommended that a Terms of Trade Index (TOTI) be computed and this be submitted to the Economic Coordination Committee (ECC) of the Cabinet twice a year for timely actions by the government to guard against unintended deteriorations in agricultural TOT. The Task Force emphasised enhanced access to institutional agricultural credit at reduced interest rates with greater emphasis on small farmers in the districts lacking farms credit. To provide research and development (R&D) support to policy makers, it recommended the establishment of an independent Agricultural Policy Institute at the federal level. The strengthening of the Food Wing of MINFAL and institutions of Provincial Agricultural Research System through enhanced incentives and an early enactment of the pending

¹The Task Force was headed by Mr Sartaj Aziz and included Dr Hafiz A. Pasha, Dr Zafar Altaf, Dr M. E. Tusneem, Mr Abid Hassan, Mr Shahid Hafeez Kardar, Mr Ashfaq Ahmad, Mr Afaq Ahmad Tiwana, Mr Asad Umer, Mr Qamar-uz-Zaman Shah, Mr Khair Muhammad Junejo, Mr Farhat-ullah Khan, and Dr Kauser Abdulla Malik as members. It also included as members the federal Secretaries of Ministry of Food, Agriculture and Livestock; Ministry of Commerce, Ministry of Industries and Production; Ministry of Interior; and Provincial Additional Secretaries (Dev.) of Balochistan, KPK (formerly NWFP) and Sindh.

Seed Act Amendment Bill and Plant Breeders Rights Bill are its other important recommendations.

A strategy for accelerated agricultural growth during the next decade (2010–2020) is also put forward by the Task Force with warnings about the bottlenecks that include: low investment in agricultural research and development (R&D); vulnerability of wheat crop to rust; high post-harvest losses; a marketing/procurement system offering little incentives to the growers; insufficient physical and social infrastructure; deteriorating irrigation system, inefficient water use and water shortages; lack of effective system to protect TOT for the sector; and inadequate availability of institutional credit for agriculture. The report points out that with little scope in expanding area under cultivation the future agriculture growth would mainly come from diversification of crops mix to high value crops and improvement in productivity per unit of land, water and labour.

The Report considers that the presence of a substantial amount of unachieved yield potential in case of several crops and livestock products coupled with increased output prices offer the most immediate and cost effective opportunities to increase agricultural production through improved agricultural practices. Such improvements would require: increased certified seed coverage; ensured availability and balanced use of fertiliser; improvement of organic matter in the soils to enhance efficiency of fertiliser and water use; promotion of farm mechanisation and use of implements and technologies developed for conservation of soil and water; enhanced investment in agricultural R&D and strengthening of social sciences research on agriculture; use of biotechnology in development of high yielding varieties; improving processing, grading, packing, storage, and transportation infrastructure; development of small scale irrigation facilities in rain-fed areas; diversification and enhanced value addition for greater employment and increased export earning; and establishment of a proper system for food safety.

The Report highlights the importance of livestock in the national and rural economy, describes the livestock production systems, identifies constraints to development of the sector, and suggests measures to overcome these limitations. The major constraints identified include: inadequacy and poor quality of feed and fodder; insufficient veterinary health coverage and absence of livestock extension service; faulty breeding practices and inferior livestock, marketing opportunities offering low economic incentives to livestock holders; mismanagement and low carrying capacity of rangelands.

The livestock sub-sector is rightly pointed out by the Task Force as the key entry point to reach the disadvantaged rural groups—women, landless poor and small farmers. The main interventions recommended by the Task Force to achieve a higher growth in this sub-sector include: enhancing veterinary health coverage from presently 25 percent to universal coverage; improving major livestock breeds; enhancing animal feed resources through developing fodder varieties with higher yields and enriching feed/fodder for better nutrition; ensuring greater share of farmers in consumers' rupee; extending micro financing facilities to milk marketing services; establishing an independent Rangeland Management Authority to exploit rangelands potential; developing rural poultry; and promoting corporate and cooperative livestock farming.

The Task Force supports the policy of selective interventions by the government to ensure adequate availability of wheat flour at stable and affordable prices round the year

and throughout the country. It also recommended a support price of Rs 900 per 40 Kg for wheat crop of 2008-09 and points out serious shortcomings in the present procurement, storage, and distribution system of essential food items including: inefficient and scattered administration arrangements for procurement, storage, and distribution; lack of sufficient storage capacity and high wastage losses; failure to check hoarding and smuggling of food items; and lack of capacity for monitoring the trends of essential food items in the international and national markets coupled with inadequacy and poor data management. In view of the expected bumper crop of wheat, the government was alerted to be prepared for procurement and storage of larger quantities of wheat (7-8 million tonnes) during 2009 ensuring that support price reaches the farmers. Initiation of negotiations with Afghan government for export of wheat through official channels and relaxation of restrictions on inter-provincial movements of wheat are the other important recommendations.

The Task Force acknowledges agricultural growth as the most effective engine for alleviation of poverty especially in the rural areas of Pakistan. In the presence of high incidence of poverty, it is argued that increasing food production alone will be ineffective unless economic access of the poor people is improved. It is claimed that such improvement can be brought about through: increasing access of the rural poor to land, livestock, and basic education; imparting technical training /vocational education to rural youth; enhancing credit facilities to promote non-farm enterprises; and promoting activities that create farm and non-farm employment opportunities in the rural areas.

The detailed discussion regarding methodology and data needs in construction of Food Security Index (FSI) for Pakistan and Terms of Trade Index (TOTI) for agriculture makes an important contribution of the Task Force. The construction of proposed FSI for Pakistan draws heavily on the study undertaken by International Fund for Agricultural Development on the subject and is a weighted sum of four indices namely: food availability per capita index (weight 1/2), per capita food production index (weight 1/6), self-sufficiency ratio index (weight 1/6), and inverse of relative food price index (weight 1/6)—defined as ratio of food price index divided by overall consumer price index expressed in percentage. The estimated FSIs show an increasing trend during 1990s attaining its maximum during 1999-2000 and declining thereafter to a level below 100 during 2004-05 resulting from depressed food production and high inflation in food prices.

The TOTI for agriculture is defined as the ratio of output price index to input price index expressed in percentage. The output prices include farm-gate prices of wheat, rice, cotton, and sugarcane whereas input prices include price index of fertiliser (urea and DAP), interest cost of agricultural credit, and fuel price LDO (Light Diesel Oil). The estimated index reveals that TOT for agriculture improved significantly during early 1990s, declined for two consecutive years in 1995-96 and 1996-97, depicted strong recovery thereafter till 1999-2000 and then gradually declined to a level below 100 during 2005-06.

Given the short time period at its disposal, the Task Force on Food Security makes an important contribution to the issue of ensuring food security in Pakistan. Unfortunately, little efforts were devoted towards prioritisation of the suggested actions. The recommendation of estimation of FSI and TOTI to monitor food security and farm profitability is a good suggestion but both the indices need rigorous debate for possible improvements before adoption. Whether or not the FSI be computed on half-yearly basis

is debatable due mainly to the fact that the indices used in its computation are meaningful only in varying length of time periods. Moreover, the weights attached to various components of FSI are assigned without providing some justification and experts may have wide difference of opinion regarding these weights. The terms of trade for agriculture are computed using output prices of major crops and input prices of fertiliser, credit and LDO therefore at best can be referred to as the terms of trade for crops rather than agriculture.

Perhaps the most controversial part of the Task Force recommendation was the unprecedented high increase in wheat prices to Rs 900 per 40 Kg particularly when the new government had only recently announced a substantial increase earlier (from Rs 425 to Rs 625 per 40 Kg). The government in fact opted for an even higher price of Rs 950 per 40 Kg. This increase, whose macro implications were not discussed in the Report, is considered to be responsible for pushing inflation rate further to an unprecedented level of over 20 percent in 2008-09 as oil prices were also adjusted that year. The Report did recommend setting up of appropriate safety nets but clearly suggested they would be insufficient to protect the poor and the vulnerable groups.

That said, however, the wheat price increase did bring increase in output necessary for food security (especially during 2010 floods) as well as increase in agricultural incomes which appear to have trickled down to the rural poor including wage labour who witnessed an increase in real wages in recent years.

On the whole this is an important and well-analysed Report which makes an important contribution to evolving a strategy for ensuring food security in Pakistan.

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