

Required Report: Required - Public Distribution

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Report Name: Grain and Feed Update

Country: Pakistan

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Report Highlights:

Based on the export pace through the first 10 months of the year, the 2022/23 rice export estimate is reduced from 3.7 to 3.4 million tons. The 2023/24 rice export forecast is reduced to 4.8 million tons, which would be in line with domestic supply expectations and overseas demand. The 2023/24 wheat supply and demand forecasts are unchanged. While the government has not yet issued any public tenders, private importers have bought at least 300,000 tons of Russian wheat.

Wheat:

Increased Availability of Irrigation Water Boosts Wheat Planting Prospects

Due to good monsoon rains, Pakistan's two major irrigation water reservoirs, Tarbela and Mangla dams, are at the optimum storage level. Mangla dam's storage capacity is 7.35-million-acre feet (MAF), while Tarbela's storage capacity is 5.8 MAF. As per Indus River System Authority (IRSA) estimates, around 13 MAF water was stored in dams at the end of August. Current summer (Kharif) crops will require 2.5 MAF for the final watering in the last part of September. This means that carryover storage of about 10.5 MAF will be available for the next winter (Rabi) season beginning October 1, 2023. Normally, Rabi season starts with carryover storage of 8 MAF. Wheat is the main crop for the rabi season, and the increased availability of irrigation water will boost wheat 2024/25 production prospects.

Private Sector Imports Wheat

During last few years, wheat imports were exclusively managed by the Trading Corporation of Pakistan (TCP), and the private sector was not allowed to import wheat. So far in the 2023/24 year, TCP has not issued any tenders for wheat imports, and there are no indications that a new government tender will be issued in near future. As of August, neither TCP nor the private sector had imported any wheat. However, reportedly private sector importers have purchased about 700,000 tons of Russian wheat, and some 300,000 tons of that is in transit.

Reflecting final trade data, the 2022/23 marketing year (May-April) wheat import estimate was increased to 2.6 million tons.

Table 1: Production, Supply and Demand Data Statistics:

| Wheat | 2021/2022 | | 2022/2023 | | 2023/2024 | |
|--------------------------------------|------------------|-------------|------------------|-------------|------------------|-------------|
| | May 2021 | | May 2022 | | May 2023 | |
| Pakistan | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested (1000 HA) | 9,168 | 9,168 | 9,000 | 9,000 | 8,860 | 8,860 |
| Beginning Stocks (1000 MT) | 3,056 | 3,056 | 4,530 | 4,530 | 3,070 | 3,730 |
| Production (1000 MT) | 27,464 | 27,464 | 26,400 | 26,400 | 28,000 | 28,000 |
| MY Imports (1000 MT) | 2,210 | 2,210 | 1,940 | 2,600 | 2,000 | 2,000 |
| TY Imports (1000 MT) | 2,210 | 2,210 | 2,400 | 2,400 | 2,000 | 2,000 |
| Total Supply (1000 MT) | 32,730 | 32,730 | 32,870 | 33,530 | 33,070 | 33,730 |
| MY Exports (1000 MT) | 500 | 500 | 600 | 600 | 500 | 500 |
| TY Exports (1000 MT) | 500 | 500 | 600 | 600 | 500 | 500 |
| Feed and Residual (1000 MT) | 1,200 | 1,200 | 1,700 | 1,700 | 1,400 | 1,900 |
| FSI Consumption (1000 MT) | 26,500 | 26,500 | 27,500 | 27,500 | 28,100 | 28,300 |
| Total Consumption (1000 MT) | 27,700 | 27,700 | 29,200 | 29,200 | 29,500 | 30,200 |
| Ending Stocks (1000 MT) | 4,530 | 4,530 | 3,070 | 3,730 | 3,070 | 3,030 |
| Total Distribution (1000 MT) | 32,730 | 32,730 | 32,870 | 33,530 | 33,070 | 33,730 |
| Yield (MT/HA) | 2.9956 | 2.9956 | 2.9333 | 2.9333 | 3.1603 | 3.1603 |
| (1000 HA), (1000 MT), (MT/HA) | | | | | | |

Rice, Milled:

Rice exports during the first nine months of the current marketing year were around 3 million tons, compared to 4.1 million tons during the corresponding period of the last marketing year. (Table 1). Considering this pace of exports, the 2022/23 rice export estimate is reduced from 3.7 to 3.4 million tons.

Table 2: Pakistan Rice Exports (in metric tons)

| Months | MY 21/22 | MY 22/23 |
|--------------|------------------|------------------|
| November | 473,143 | 418,207 |
| December | 496,208 | 315,539 |
| January | 434,282 | 228,412 |
| February | 458,322 | 553,408 |
| March | 469,140 | 392,618 |
| April | 461,513 | 330,492 |
| May | 425,821 | 247,078 |
| June | 464,076 | 200,892 |
| July | 251,722 | 172,044 |
| August | 255,422 | 168,193 |
| Total | 4,189,649 | 3,026,883 |

Source: Pakistan Bureau of Statistics

According to official statistics, rice exports totaled \$2.14 billion during fiscal year (FY) 2022/23 (July22-June23), compared to \$2.51 billion in the corresponding period of FY 2021/22, depicting a decline of \$364 million. In terms of quantity, rice exports declined 25 percent during in FY 2022/23. Rice (including basmati) exports were 3.717 million metric tons in FY 2022/23 as against 4.97 million metric tons the previous fiscal year.

Local rice harvest has just begun in earnest, and initial yield reports indicate that the 9.0 million ton projected crop will be achieved. The positive crop prospects, good price competitiveness in the world market, and India rice export ban, have led to outstanding potential for rice exports.

Nonetheless, the 2023/24 rice export forecast is reduced to 4.8 million tons, which would still be a 40 percent increase over the current marketing year. This 4.8 million ton export forecast is on par with the record 4.8 million tons exported achieved during 2021/22, when production was a record high of 9.3 million tons.

In another development, Mexico and Russia have renewed market access for Pakistani rice after many years. Pakistani rice exports to Indonesia have also increased this year.

Table 3: Production, Supply and Demand Data Statistics:

| Rice, Milled | 2021/2022 | | 2022/2023 | | 2023/2024 | |
|---|--------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|
| Market Year Begins | Nov 2021 | | Nov 2022 | | Nov 2023 | |
| Pakistan | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested (1000 HA) | 3,537 | 3,537 | 3,000 | 3,000 | 3,500 | 3,500 |
| Beginning Stocks (1000 MT) | 1,889 | 1,889 | 2,650 | 2,650 | 857 | 1,057 |
| Milled Production (1000 MT) | 9,323 | 9,323 | 5,500 | 5,500 | 9,000 | 9,000 |
| Rough Production (1000 MT) | 13,986 | 13,986 | 8,251 | 8,251 | 13,501 | 13,501 |
| Milling Rate (.9999) (1000 MT) | 6,666 | 6,666 | 6,666 | 6,666 | 6,666 | 6,666 |
| MY Imports (1000 MT) | 5 | 5 | 7 | 7 | 5 | 5 |
| TY Imports (1000 MT) | 5 | 5 | 7 | 7 | 5 | 5 |
| TY Imp. from U.S. (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Supply (1000 MT) | 11,217 | 11,217 | 8,157 | 8,157 | 9,862 | 10,062 |
| MY Exports (1000 MT) | 4,817 | 4,817 | 3,700 | 3,400 | 5,000 | 4,800 |
| TY Exports (1000 MT) | 4,525 | 4,525 | 3,600 | 3,300 | 5,000 | 4,700 |
| Consumption and Residual (1000 MT) | 3,750 | 3,750 | 3,600 | 3,700 | 3,700 | 3,800 |
| Ending Stocks (1000 MT) | 2,650 | 2,650 | 857 | 1,057 | 1,162 | 1,462 |
| Total Distribution (1000 MT) | 11,217 | 11,217 | 8,157 | 8,157 | 9,862 | 10,062 |
| Yield (Rough) (MT/HA) | 3.9542 | 3.9542 | 2.7503 | 2.7503 | 3.8574 | 3.8574 |
| (1000 HA), (1000 MT), (MT/HA) | | | | | | |

Attachments:

No Attachments