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Report Highlights:

As a result of the increase in the 2025/26 production estimate, the 2025/26 wheat import forecast is reduced to 1 million tons. Due to the pace of exports over the first seven months of the marketing year, and continued optimistic prospects, the 2024/25 rice export forecast is increased to 6 million tons.

Wheat

Reflecting recently released official government data, the 2025/26 wheat production estimate is increased to 29 million tons, which is 8.8 percent lower than the record-high harvest of 31.8 million tons in 2024/25. The decline in production was due to a 5.5 percent decrease in area from the previous year. The lack of a government-guaranteed price (see Policy section below) and the expectations for low prices were the main reasons for the reduction in area. In addition, high temperatures during the sowing season and then an extended dry spell after sowing, contributed to the 3.3 percent drop in yields. The decrease in wheat production was most pronounced in Punjab province, which produced about 2 million tons less than in 2024/25.

The 2024/25 production estimate is revised upwards to 31.8 million tons, in accordance with the government's final production numbers.

The breakdown of wheat production in 2025/26 by province is below:

Table 1: 2025/26 Wheat Production by Province

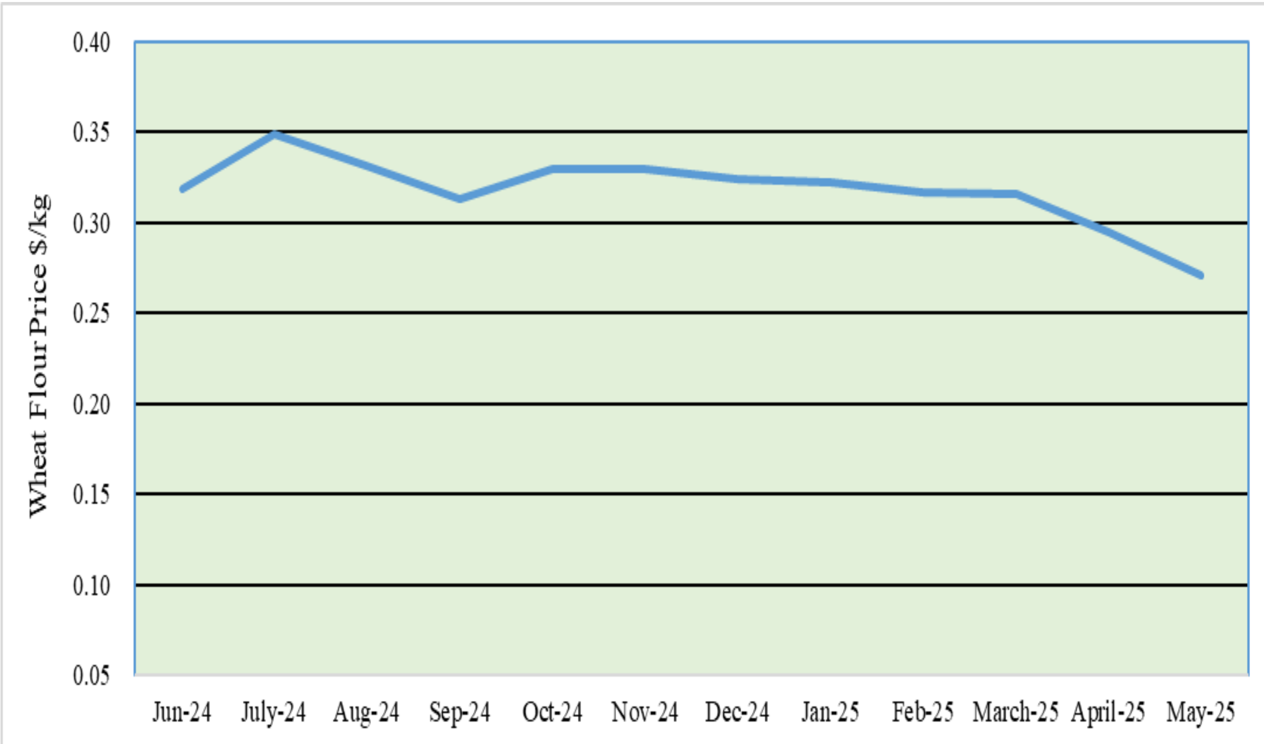
Province	Quantity (Million Tons)
Punjab	22.05
Sindh	4.06
KPK	1.47
Baluchistan	1.38
Total	28.96

Source: Agriculture Departments of Punjab, Sindh, KPK, and Baluchistan

Farmers, Traders, and Mills Adjust to New Free Market Dynamics

Despite strong protests from producer organizations and the farming community, the government remains unwavering in its policy of non-intervention in the wheat market. It has no plans to resume purchases at guaranteed prices, leaving private sector traders and millers as the sole market participants, with prices determined by free-market dynamics. The policy resulted in a significant reduction in domestic wheat prices: producers received about $215 per ton for the 2025 crop, compared to the $350 per ton in 2023, the last year the government offered the guaranteed minimum price. The downward trend in wheat cultivation is likely to persist as the government maintains the wheat market liberalization policy. While farmers remain dissatisfied, the decline in wheat prices has translated into lower flour costs, benefitting consumers. Wheat flour prices dropped 10 percent from June 2024 to May 2025 (Graph A).

Graph A: Wheat Flour Retail Price



Source: Pakistan Bureau of Statistics

Trade

Due to the upward revision in wheat production and the increase in stocks, the 2025/26 import forecast is reduced to 1.0 million tons. Imports remain banned, and the government has not yet indicated when they will remove the ban nor how much they will allow to be imported. However, consistent with the wheat market liberalization policy, future wheat imports will likely be done by the private sector.

With the prevailing low domestic wheat/flour prices, illicit wheat flour exports to Afghanistan have reportedly increased. Consequently, the 2025/26 wheat export forecast is increased to 500,000 tons.

Table 2: Wheat Production, Supply, and Distribution. (May/April) (1,000 HA) (1,000 MT)

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	May 2023		May 2024		May 2025	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	9,033	9,033	9,632	9,632	9,100	9,100
Beginning Stocks (1000 MT)	3,919	3,919	4,967	4,967	4,805	5,167
Production (1000 MT)	28,161	28,161	31,438	31,800	28,500	29,000
MY Imports (1000 MT)	3,587	3,587	100	100	2,000	1,000
TY Imports (1000 MT)	3,586	3,586	100	100	2,000	1,000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	35,667	35,667	36,505	36,867	35,305	35,167
MY Exports (1000 MT)	500	500	500	500	200	500
TY Exports (1000 MT)	500	500	500	500	200	500
Feed and Residual (1000 MT)	1,900	1,900	2,200	2,200	2,000	2,400
FSI Consumption (1000 MT)	28,300	28,300	29,000	29,000	29,500	29,500
Total Consumption (1000 MT)	30,200	30,200	31,200	31,200	31,500	31,900
Ending Stocks (1000 MT)	4,967	4,967	4,805	5,167	3,605	2,767
Total Distribution (1000 MT)	35,667	35,667	36,505	36,867	35,305	35,167
Yield (MT/HA)	3.1176	3.1176	3.2639	3.3015	3.1319	3.1868

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2025/2026 = July 2025 - June 2026

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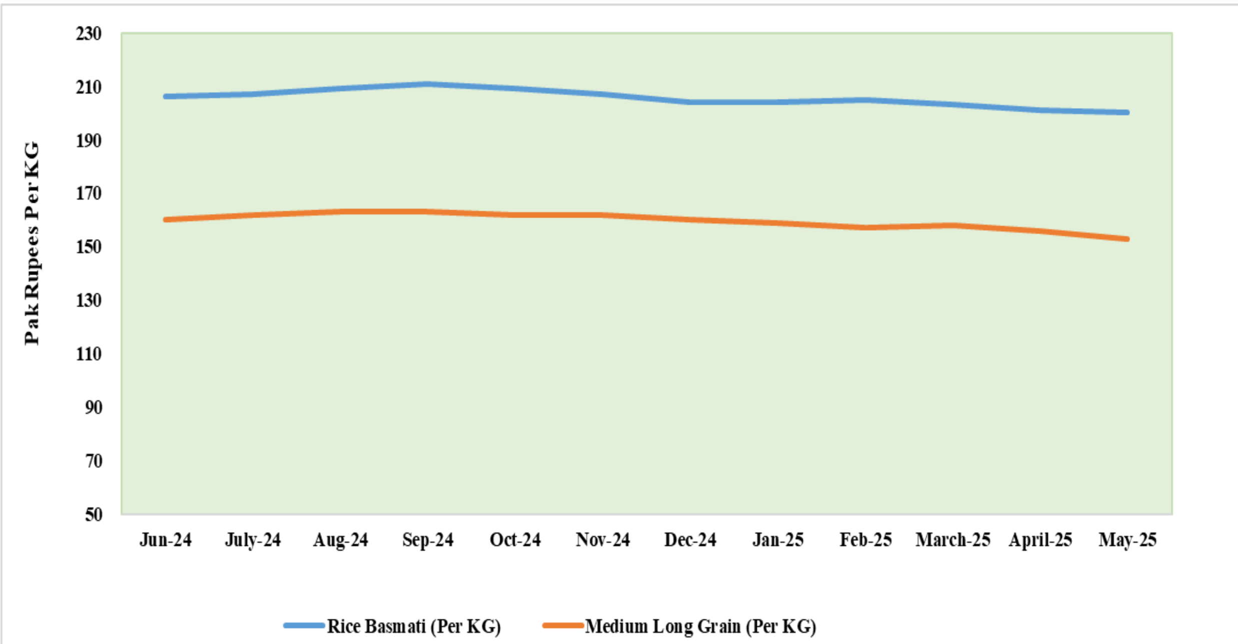
Rice

The 2025/26 and 2024/25 rice production estimates are unchanged at 9.8 and 9.75 million tons, respectively. However, the area numbers for each year have been revised to reflect recently released government data. The reduction in the 2024/25 yield (from 4.0 kg/ha to 3.7 kg/ha) was due to fluctuating weather patterns, reduced water availability, and input constraints.

Domestic retail rice price data during the last twelve months show a slight downward trend (Graph B).

Graph B: Rice Retail Prices



Source: Pakistan Bureau of Statistics

Trade Outlook and Challenges

Given the pace of exports and exportable supplies, the 2024/2025 rice export forecast is increased from 5.8 to 6.0 million tons. Currency stability, efficient supply chain management, and strong demand from major importing countries are positively impacting exports. Pakistan exported around 3.9 million tons during the first seven months of the current marketing year (Table 3). Basmati exports were 431,994 thousand tons, while exports of non-basmati varieties were around 3.5 million tons. Although exports are approximately half a million tons lower than the record levels of the corresponding period last marketing year, they still represent a substantial volume and indicate that Pakistani rice exports remain robust in the face of renewed competition from India.

Table 3: Rice Exports in 2024/25 (metric tons)

Months	Basmati	Others	Total
Nov 2024	52,918	728,964	781,882
Dec 2024	46,160	636,055	682,215
Jan 2025	70,696	506,845	577,541
Feb 2025	83,254	430,828	514,082
March 2025	75,994	436,683	512,676
April 2025	43,895	363,434	407,329
May 2025	59,077	399,785	458,862
Total	431,994	3,502,594	3,934,587

Source: Pakistan Bureau of Statistics

While retaining focus on traditional markets in the Middle East, Africa, and Southeast Asia, rice exporters are also seeking to enter markets in the western hemisphere, including Cuba, Chile and Haiti. Southeast Asian countries particularly Indonesia, Philippines and Malaysia have been major markets for the Pakistani rice due to increased demand and rigorous marketing by Rice Exporters Association of Pakistan (Table 4).

In line with the above optimistic export outlook, the 2025/26 export forecast is increased from 5.3 to 5.5 million tons.

Table 4: Pakistan's Top Rice Export Markets (November 2024-April 2025)

Country	Quantity (Metric Tons)
Indonesia	349,675
Philippines	224,285
Malaysia	218,095
Senegal	165,432
Cote d'Ivoire	150,996
China	144,208
EU	137,694
Kenya	129,432
Saudi Arabia	89,731
Ethiopia	50,429

Source: Trade Data Monitor

Basmati Rice:

Basmati rice exporters are focusing on maintaining quality and reliability, allowing them to retain market share in key markets even though their prices are at a premium ($100-$200). During the current marketing year, Pakistan rice has had substantial share of the basmati rice market in such quality conscious markets as the EU and UK. Even in price-sensitive regions, buyers are increasingly opting for Pakistani basmati rice.

Non-Basmati Rice:
Non-Basmati exports were about 3.5 million tons in the first seven months of 2024/25. The relative stability of Pakistan's currency and efficient supply chain management allowed exporters to remain competitive.

As of mid-June, offers for 5 percent broken white rice were around $395 per ton. Pakistan's Basmati rice was being offered at an average price of $1,100 per ton.

Table 5: Production, Supply and Demand Data Statistics:

Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Nov 2023		Nov 2024		Nov 2025	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3,637	3,637	3,700	3,900	3,700	3,750
Beginning Stocks (1000 MT)	2,034	2,034	1,387	1,387	1,249	1,049
Milled Production (1000 MT)	9,869	9,869	9,750	9,750	9,800	9,800
Rough Production (1000 MT)	14,805	14,805	14,626	14,626	14,701	14,701
Milling Rate (.9999) (1000 MT)	6,666	6,666	6,666	6,666	6,666	6,666
MY Imports (1000 MT)	11	11	12	12	10	0
TY Imports (1000 MT)	11	11	12	12	10	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	11,914	11,914	11,149	11,149	11,059	10,849
MY Exports (1000 MT)	6,527	6,527	5,800	6,000	5,300	5,500
TY Exports (1000 MT)	6,492	6,492	5,200	5,800	5,300	5,500
Consumption and Residual (1000 MT)	4,000	4,000	4,100	4,100	4,200	4,200
Ending Stocks (1000 MT)	1,387	1,387	1,249	1,049	1,559	1,149
Total Distribution (1000 MT)	11,914	11,914	11,149	11,149	11,059	10,849
Yield (Rough) (MT/HA)	4.0707	4.0707	3.953	3.7503	3.9732	3.9203
(1000 HA), (1000 MT), (MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2025/2026 = January 2026 - December 2026						
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Attachments:

No Attachments