

Required Report: Required - Public Distribution

Date: September 29, 2026

Report Number: PK2026-0012

Report Name: Grain and Feed Update

Country: Pakistan

Post: Islamabad

Report Category: Grain and Feed

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Report Highlights:

The Government of Pakistan has approved the import of up to one million tons of wheat in 2026, the first significant imports since 2024, in response to rapidly increasing domestic wheat flour prices. MY 2026/27 rice production is forecast down six percent from last year's record production due to lower area and yield. The 2025/26 rice export estimate is unchanged at 4.5 million tons, while the 2026/27 rice export estimate is revised lower to 4.8 million tons due to price competition with India and regional logistical challenges.

Wheat:

Table 1: Wheat Production, Supply and Distribution

Wheat Market Year Begins Pakistan	2024/2025		2025/2026		2026/2027	
	May 2024		May 2025		May 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	9734	9734	9075	9075	9400	9400
Beginning Stocks (1000 MT)	4970	4970	5287	5287	2793	2793
Production (1000 MT)	31814	31814	28396	28396	29000	29000
MY Imports (1000 MT)	3	3	10	10	1000	1000
TY Imports (1000 MT)	3	3	10	10	1000	1000
Total Supply (1000 MT)	36787	36787	33693	33693	32793	32793
MY Exports (1000 MT)	500	500	200	200	0	0
TY Exports (1000 MT)	500	500	200	200	0	0
Feed and Residual (1000 MT)	2200	2200	1500	1500	800	800
FSI Consumption (1000 MT)	28800	28800	29200	29200	29500	29500
Total Consumption (1000 MT)	31000	31000	30700	30700	30300	30300
Ending Stocks (1000 MT)	5287	5287	2793	2793	2493	2493
Total Distribution (1000 MT)	36787	36787	33693	33693	32793	32793
Yield (MT/HA)	3.2683	3.2683	3.129	3.129	3.0851	3.0851
(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 2026/2027 = July 2026 - June 2027						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production

Pakistan's wheat planting season will commence from mid-October with farmers making planting decisions in an uncertain policy environment. Farmers continue to face sudden and unpredictable policy changes, higher input costs, and shifting climate conditions. Inconsistent wheat marketing policies, procurement challenges, the recent government decision to import wheat, and the absence of a coherent policy for the next crop year will likely lead to a reduction in wheat area for MY 2027/28. However, any potential reduction in wheat area will be somewhat mitigated by the lack of alternative crops during the Rabi (winter) crop season and the possibility of government efforts to incentivize wheat planting.

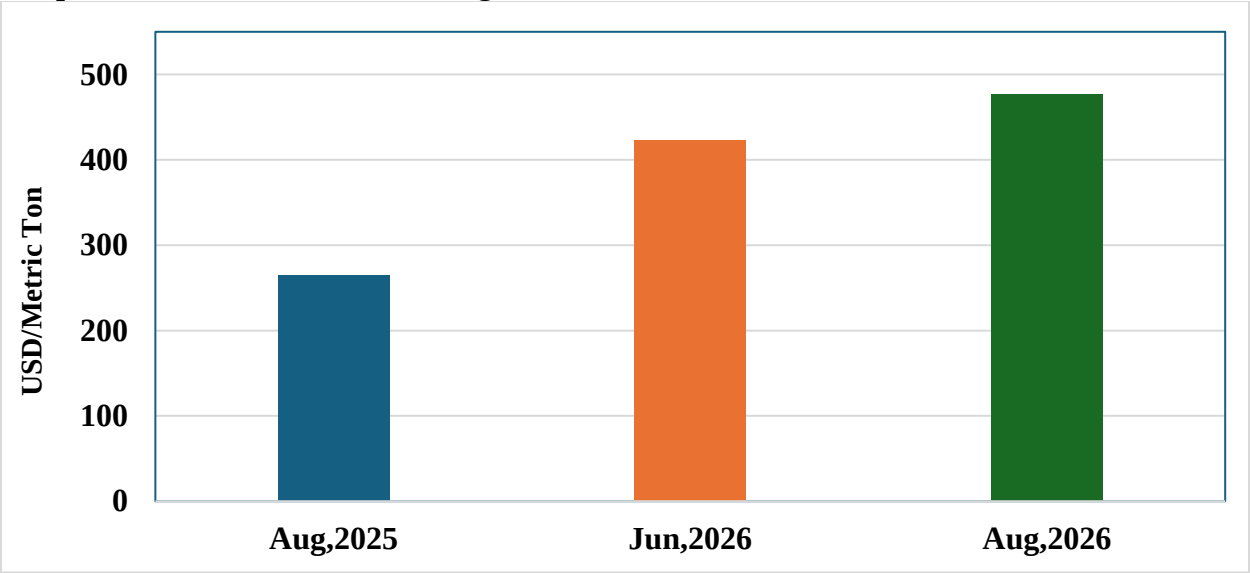
Prices

Wheat flour prices in Pakistan increased thirteen percent during the last four months, from Rs. 4698/ 40 kg (\$422/MT) to Rs. 5300/40 kg (\$476/MT). (Graph A). Wheat flour prices in August 2026 are about sixty percent higher compared to August 2025, placing considerable strain on consumers amid soaring prices for other staple items.

A fundamental change in the government wheat marketing policy is the main reason for the price volatility. Following structural adjustments (including IMF program alignment), provincial governments (especially Punjab) altered decades-old public procurement programs to shift procurement to the private sector. Reduced government buying forced farmers to sell quickly to private traders upon harvest. The smaller state footprint allowed private buyers, middlemen, and hoarders to monopolize wheat reserves with limited transparency or regulation, driving up prices through unchecked speculation.

This price surge has profound implications for the country’s food security situation and economic stability. Wheat is not only a key component of almost every meal in Pakistan, but also a vital part of Pakistan’s agricultural economy and the staple food crop for smallholder farmers.

Graph A: Pakistan National Average Wheat Flour Market Price



Source: Pakistan Bureau of Statistics

Policy and Trade

The federal and provincial governments are withdrawing from wheat support prices and public procurement, shifting instead to a deregulated, market-driven system. These changes have resulted in uncertainty for farmers and are also driving the first significant wheat imports into Pakistan since MY 2023/24.

At the start of the current marketing year a new private sector led wheat procurement policy was introduced, but the new policy did not operate as intended. As designated private companies failed to absorb the harvest at the required pace, the market suffered from speculative buying at the time of harvest. In the months following the wheat harvest, private traders held onto stocks, resulting in significant increases in flour prices.

To stabilize wheat prices and break up hoarding of stocks, on July 29, 2026, the Economic Coordination Committee (ECC) granted baseline approval to allow import of up to 1 million metric tons of wheat. A secondary procedural approval was finalized on September 9, 2026, authorizing the state-owned Trading Corporation of Pakistan (TCP) to open international tenders for a first tranche of 750,000 tons. TCP formally called for international bids on September 8, 2026, with a submission deadline of September 16, 2026. Nine technically and financially responsive bids totaling 656,000 metric tons were received.

M/s Agrocorp International offered \$348.83 for 55,000 metric tons, the lowest bid for Karachi port. M/s Louis Dreyfus Company offered \$349.97/metric ton for 110,000 metric tons, the lowest for Gwadar port. As the collective bids against the first tender fell short of the required quantity, TCP floated a subsequent international tender for an additional 185,000 metric tons, with bids scheduled to open on September 28.

The decision to import wheat has reignited fierce national debate regarding food security, import dependence, and governance inconsistencies. Farmers' organizations are strongly criticizing the decision. They believe that allowing wheat imports will undermine local growers and threatens Pakistan's long-term food security.

During the last few years, Pakistan's wheat policy alternated between setting high support prices, abandoning procurement, and allowing emergency imports. Sudden policy reversals leave farmers unprotected against high input costs (fertilizer, diesel, electricity) and low market returns. A consistent and coherent policy with gradual shifts is required to build farmers trust and reduce volatility in the wheat market.

Current market dynamics and price trend suggest that Pakistan may have to import around 1.5 million tons of wheat during the current marketing year. However, considering the government's import cap and the pace and volume of initial import tenders, the MY 2026/27 import estimate is maintained at one million tons. The pace of imports would need to pick up considerably for the government to exceed 1 million tons of imports while avoiding overlap with Pakistan's earliest wheat harvesting starting in March.

Rice, Milled:

Table 2: Rice Production, Supply and Distribution

Rice, Milled Market Year Begins Pakistan	2024/2025		2025/2026		2026/2027	
	Nov 2024		Nov 2025		Nov 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3899	3899	3759	3759	3600	3600
Beginning Stocks (1000 MT)	1215	1215	1625	1625	2643	2643
Milled Production (1000 MT)	9723	9723	9998	9998	9600	9400
Rough Production (1000 MT)	14586	14586	14998	14998	14401	14101
Milling Rate (.9999) (1000 MT)	6666	6666	6666	6666	6666	6666
MY Imports (1000 MT)	20	20	20	20	20	0
TY Imports (1000 MT)	15	15	20	20	20	0
Total Supply (1000 MT)	10958	10958	11643	11643	12263	12043
MY Exports (1000 MT)	5133	5133	4500	4500	5000	4800
TY Exports (1000 MT)	4525	4525	4600	4600	5000	4800
Consumption and Residual (1000 MT)	4200	4200	4500	4500	4700	4700
Ending Stocks (1000 MT)	1625	1625	2643	2643	2563	2543
Total Distribution (1000 MT)	10958	10958	11643	11643	12263	12043
Yield (Rough) (MT/HA)	3.741	3.741	3.9899	3.9899	4.0003	3.9169
(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 2026/2027 = January 2027 - December 2027						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production

MY 2026/27 rice production is forecast at 9.4 million tons, six percent less than the last year's record production of nearly 10 million tons, due to a four percent reduction in rice area and below average monsoon rains in the rice growing areas of Punjab and Sindh. Rice in Pakistan is cultivated in areas where irrigation water is available through a network of canals. Pakistan has been facing chronic shortage of irrigation water during last two decades. Shortage of irrigation water in the summer season is generally compensated by the monsoon rains. However, a below average monsoon season rainfall this year, resulting in reduced water availability, adversely impacted rice crop yields. The decline in cultivated areas reflects farmers' sowing decisions in response to prevailing rice prices and alternative crop options, including corn and sugarcane.

Trade

Rice exports during the first ten months of 2025/26 were 3.94 million tons, compared to 4.75 million tons during the same period of the last marketing year (Table 3). Considering the pace of exports, Pakistan's 2025/26 rice export estimate is maintained at 4.5 million tons. The MY 2026/27 rice export estimate is lowered to 4.8 million tons, due to structural and geopolitical challenges.

While Pakistan's rice exports in 2025/26 have shown short periods of recovery, sustaining this growth is constrained by several bottlenecks. Fierce regional competition against India continue to affect rice exports, especially the price disadvantage for premium varieties. For example, when Pakistan's Super Basmati was quoted around \$1,200/MT, Indian counterparts moved volumes at closer to \$900/MT. In the non-basmati segment, aggressive pricing from Thailand and Vietnam keeps Pakistan locked in tight competition for price-sensitive African markets.

Periodic closures around the Strait of Hormuz are also affecting transit to Middle Eastern markets. These disruptions have significantly increased container shipping rates. In some instances, shipping costs to Gulf destinations increased from an average of \$500 to as high as \$5,000 per container. The new land-based trade routes through Iran and Central Asia, though functional, are facing logistical and operational challenges and have not been able to compensate for lost maritime trade.

The Government is providing targeted relief, including a 9% duty reduction for Basmati rice and a 3% reduction for other varieties to enhance global price competitiveness. Industry bodies like the Rice Exporters Association of Pakistan (REAP) anticipate stabilized demand in traditional markets like China, the UAE, and new direct routes into Central Asia. REAP is emphasizing transitioning from pure price-competition to building competitive advantage for better quality basmati, sella (premium parboiled aromatic long-grain rice), and steamed varieties alongside improving domestic infrastructure for enhanced traceability.

Table 3: Pakistan Rice Exports in 2025/26 (metric tons)

Month	Basmati	Others	Total
Nov 2025	32,727	394,195	426,932
Dec 2025	34,660	361,580	396,240
Jan 2026	186,674	427,191	613,865
Feb 2026	72,530	288,955	361,484
March 2026	49,149	385,016	434,165
April 2026	71,310	275,639	346,950
May 2026	87,552	262,206	349,757
June 2026	77,325	285,325	362,650
July 2026	67,857	278,167	346,024
August 2026	77,795	230,686	308,481
Total	757,579	3,188,960	3,946,539

Source: Pakistan Bureau of Statistics

Attachments:

No Attachments