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Report Highlights:

Based on total commitments to date (imports plus outstanding purchases), the 2022/23 import forecast is reduced from 3 to 2.6 million tons. With the impact of the summer's floods proving to be even worse than initially anticipated, the 2022/23 rice production estimate is decreased to 6 million tons. As a result of the expectations for lower domestic supplies, 2022/23 rice exports are also lowered to 3.6 million tons.

Wheat

Wheat Planting Progressing Well Despite Challenges

The flash floods earlier this year, followed by persistent standing water due to inadequate drainage, created uncertainty about prospects for the timely planting of the 2023/24 wheat crop. Seed and fertilizer availability in the flood-affected areas was also a concern. Despite these challenges, seeding of the 2023/24 wheat crop progressed well and is almost complete. The coordinated efforts of donors and government agencies to ensure adequate supplies of seeds and fertilizer enabled farmers to plant on time. The crop will be harvested in April/May 2023.

The Indus River System Authority (IRSA) expects an 18 percent irrigation water shortage during the Nov/Dec-Apr/May (Rabi) 2022/23 growing season. Nonetheless, the likely availability of irrigation water at the canal heads is forecast to be 10 percent higher than last year and 2 percent higher than the 10-year average.

The Federal Committee on Agriculture (FCA) set the 2023/24 wheat production “target” at 28.4 million tons. If realized, this would be 2 million tons higher than 2022/23 output. The government production target is an aspirational goal, with final output dependent on fertilizer availability and growing conditions during the next few months.

Wheat Imports

Based on total commitments to date (imports plus outstanding purchases), the 2022/23 import forecast is reduced from 3 to 2.6 million tons.

Following the Trade Corporation of Pakistan’s most recent tender on December 5, the Economic Coordination Committee (ECC) approved 500,000 tons at $372/ton, Karachi port, 16 December 2022-8 February 2023 delivery. In addition, the ECC approved a separate 450,000 purchase from Russia at $372/ton, Gwadar port, 1st February-31st March 2023 delivery.

Through October, imports for the 2022/23 year were just over 980,000 tons (see Table 1 below). With the 950,000 tons of purchases made first week of December, plus another 685,000 tons awarded in Oct/Nov, total outstanding purchases are 1.635 million tons. Thus, total commitments are 2.6 million tons.

Reportedly, the government is satisfied that the 2.6 million tons in wheat imports will be sufficient to ensure domestic supplies until the 2023/24 harvest commences in April. However, the Ministry of National Food Security is continuously assessing the supplies to make adjustments to address any shortages. Usually, there are no imports after February, as the domestic harvest starts arriving in the market in March.

Table 1: 2022/23 Wheat Imports

Months	**MY 22/23**
May	0
June	0
July	211,597
August	410,918
September	234,298
October	123,344
Total	**980,157**

Source: Pakistan Bureau of Statistics

Production, Supply and Demand Data Statistics:

Wheat	2020/2021		2021/2022		2022/2023	
Market Year Begins	May 2020		May 2021		May 2022	
Pakistan	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	8,805	8,805	9,168	9,168	9,000	9,000
Beginning Stocks (1000 MT)	991	991	3,056	3,056	4,530	3,930
Production (1000 MT)	25,248	25,248	27,464	27,464	26,400	26,400
MY Imports (1000 MT)	3,617	3,617	2,210	2,210	3,000	2,600
TY Imports (1000 MT)	3,617	3,617	2,210	2,210	3,000	2,600
Total Supply (1000 MT)	29,856	29,856	32,730	32,730	33,930	32,930
MY Exports (1000 MT)	500	500	500	600	300	600
TY Exports (1000 MT)	500	500	500	600	300	600
Feed and Residual (1000 MT)	1,000	1,000	1,200	1,400	1,700	1,700
FSI Consumption (1000 MT)	25,300	25,300	26,500	26,800	27,500	27,500
Total Consumption (1000 MT)	26,300	26,300	27,700	28,200	29,200	29,200
Ending Stocks (1000 MT)	3,056	3,056	4,530	3,930	4,430	3,130
Total Distribution (1000 MT)	29,856	29,856	32,730	32,730	33,930	32,930
Yield (MT/HA)	2.8675	2.8675	2.9956	2.9956	2.9333	2.9333

(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 2022/2023 = July 2022 - June 2023

Rice

Flood Damage Worse Than Initial Estimates

Based on reports that the floods and their aftermath caused rice yields to be worse than initially anticipated, the 2022/23 rice production estimate is lowered to 6 million tons. This would be the lowest rice crop since 2012/13. The main factor was the lingering standing water in many locations, which caused more reduction to rice yields than was originally anticipated in earlier post-flood reports. The government will release a final official estimate at the end of February.

The flood damage was most severe in Sindh province, where mostly non-basmati varieties with higher yields are grown. Damage was less in Punjab province, where mostly high valued, but lowering yielding, basmati rice is grown.

Rice Exports

Due to the lower estimated domestic output, 2022/23 rice exports are lowered to 3.6 million tons. Flood damage to infrastructure and higher freight rates, combined with lower domestic availability, are leading to higher export prices and reducing rice export prospects. MY 2021/22 exports are unchanged at 4.5 million tons. The 2021/22 rice exports by month are given below.

Table 2: Pakistan Rice Exports MY 2021/22 (Nov/October)

Months	MY 20/21	MY 21/22
November	458,104	473,143
December	459,714	496,208
January	324,254	434,282
February	315,625	458,322
March	385,978	469,140
April	315,056	461,513
May	180,134	425,821
June	323,796	403,917
July	226,392	217,481
August	249,976	220,739
September	253,568	207,318
October	339,422	250,898
Total	**3,832,019**	**4,518,782**

Source: Pakistan Bureau of Statistics

Exports to China

Rice exports to China in the first ten months of 2022 were 1,121,592 tons, and valued at $426 million. Sindh province's non-basmati production is mainly exported to China and other Asian countries. The flood-related production shortfall in Sindh will likely limit 2023 exports to these growing markets.

Gulf Markets

Despite the overall negative outlook, local exporters are hopeful they can maintain sales to Saudi Arabia, UAE, and other Gulf countries. These expectations are based on the fact that flood losses in the basmati producing areas of Punjab were minimal and the Gulf countries mainly import high-valued Basmati varieties. Exports to those countries are around 500,000 tons annually.

Azerbaijan Announced Exemption in Import Duty

Azerbaijan announced an exemption to import duties on Pakistani rice for five years. In 2022, Pakistan was the fourth largest rice exporter to Azerbaijan, with a market share of 5 percent, worth $ 1.57 million. Rice exports to Azerbaijan were registered about $242,000 during July-September 2022, compared to $158,000 during the same period last year. In September 2022, Pakistan's rice export to Azerbaijan grew by 110% and rose to $82,000 from $39,000 during the corresponding month of last year.

Kenya, China, Afghanistan, Indonesia, Kazakhstan, Tanzania and other Gulf and European countries are the major buyers of Pakistani rice.

Production, Supply and Demand Data Statistics:

Rice, Milled	2020/2021		2021/2022		2022/2023	
Market Year Begins	**Nov 2020**		**Nov 2021**		**Nov 2022**	
Pakistan	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	3,335	3,335	3,537	3,537	3,000	3,000
Beginning Stocks (1000 MT)	1,149	1,149	1,999	1,999	2,554	2,804
Milled Production (1000 MT)	8,420	8,420	9,100	9,100	6,600	6,000
Rough Production (1000 MT)	12,631	12,631	13,651	13,651	9,901	9,001
Milling Rate (.9999) (1000 MT)	6,666	6,666	6,666	6,666	6,666	6,666
MY Imports (1000 MT)	7	7	5	5	7	0
TY Imports (1000 MT)	7	7	5	5	7	0
Total Supply (1000 MT)	9,576	9,576	11,104	11,104	9,161	8,804
MY Exports (1000 MT)	3,877	3,877	4,800	4,500	4,000	3,600
TY Exports (1000 MT)	3,928	3,928	4,800	4,500	4,000	3,600
Consumption and Residual (1000 MT)	3,700	3,700	3,750	3,800	3,700	3,900
Ending Stocks (1000 MT)	1,999	1,999	2,554	2,804	1,461	1,304
Total Distribution (1000 MT)	9,576	9,576	11,104	11,104	9,161	8,804
Yield (Rough) (MT/HA)	3.7874	3.7874	3.8595	3.8595	3.3003	3.0003

(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 2022/2023 = January 2023 - December 2023

Attachments:

No Attachments