

PAKISTAN

The government of Pakistan uses a minimum price support program for major crops produced in the country. Under this program, the government agrees to make purchases when the market price falls below an announced level. In addition, the government subsidizes agricultural production credit through both government and private banks for the purchase of seeds, fertilizers, pesticides/insecticides, animal feed, labor, fuel, irrigation water charges, and agricultural machinery. Input subsidies are offered for electricity and fertilizer and development loans are also provided for machinery purchases. The government also subsidizes natural gas purchases for fertilizer production at around \$200 million/year.

COTTON

- A Minimum Support Price (MSP) for seed cotton is announced at the start of each marketing season. The Trading Corporation of Pakistan (TCP) intervenes in the market if the prices fall below the MSP. For 2008/09 the support price is Rs.1025/40kg (a lint equivalent of \$0.59/lb).
- Pakistan has no quantitative restrictions on imports or exports of cotton.

RICE

- MSP for 2005/06 is Rs 300/40kg (\$5.72/cwt) for paddy rice.
- Since 2000, the GOP discontinued setting a procurement price for paddy and milled rice and abandoned rice procurement through state trading enterprises. However, in 2008, the GOP intervened in the rice market through two state bodies: Pakistan Agricultural Services and Storage Corporation (PASSCO), and the TCP. PASSCO was authorized to procure 500,000 tons of Basmati and 500,000 tons of IRRI rice to stabilize prices. PASSCO set floor prices at Rs 1500/40 kg (\$468/MT) for Super Basmati, Rs 1250/40 kg (\$390/MT) for 385 varieties.
- There is a 10% import duty and 15% sales tax on rice imports.

SUGAR

- The GOP supports cane production by setting an indicative price, which is announced either before or after planting. The Federal government generally does not procure cane although it authorizes Provincial governments to fix respective cane prices after consultation with sugar industry and farmer organizations representatives.

- The MSP for sugarcane varies by region. In 2008/09 it ranged from Rs 80/40kg to Rs 81/40kg.
- The GOP maintains a 15% regulatory duty on raw sugar imports, a 16% general sales tax, and a 1% excise duty.

SOYBEANS

- The government of Pakistan offers no price support mechanism for soybeans and does not engage in state procurement programs.
- The bound tariff rate for soybean imports is 100%. The applied rate is 10%.

WHEAT

- Pakistan's wheat marketing system is largely government-dominated that controls the market through a minimum guaranteed support price and an issue price for wheat sold to flour mills. Through Provincial Food Departments, the GOP procures wheat from farmers at the support price and then sells the wheat to the provinces for sales to the flour mills at the government-fixed issue price.
- The MSP for wheat for 2009/10 is \$8.08/bu.