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# Rapid Agricultural Market Assessment - Khyber Pakhtunkhwa Province



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# Rapid Agricultural Market Appraisal - Khyber Pakhtunkhwa Province

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# Abstract

A rapid market appraisal exercise was performed to study markets for agriculture produce in the Province declared under the Marketing Act 2007 and General Rules including regulated markets and those run by private entities. The objective was to see how it impacts suppliers with respect to fair remuneration for their produce offered in these markets and catering to different consumer segments.

Associated with this was also to study the current market efficiencies and the state of downstream value addition in crop production patterns. A host of stakeholders including government officials, market functionaries and suppliers (farmers) were contacted and focused discussions took place with them. Representative markets visited and covered while conducting the study to capture prevailing tendencies for agriculture produce marketing in regulated and privately run markets including the geographic locations in Central, Southern and sub mountainous regions of KPK.

This study also allowed us to calculate marketing margins earned by different market players on the final auction price for farm produce received by the suppliers in the system till reaching the produce to final consumers and the share in margins by respective agents at each step.

Other details on current market efficiencies and demerits, potential to catering to different market segments, state of value chain addition, roles of market functionaries and ways to improve the system to incorporate the best practices are highlighted and put forth for policy reform and formulation review ahead.



# Acronyms

APTTA	Afghan Pakistan Transit Trade Agreement
CA	Commission Agents
CSD	Combined Services Depot
DG	Director General Agricultural Extension
DIK	Dera Ismail Khan
F&V	Fruit and Vegetable
General Rules	Khyber Pakhtunkhwa Agriculture Produce Markets General Rules, 2011
KG	Kilograms
KPK	Khyber Pakhtunkhwa
Marketing Act, 2007	Khyber Pakhtunkhwa Agriculture Produce and Livestock Marketing Act 2007
MC	Market Committees
SOW	Scope of Work
USAID	United States Agency for International Development



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# Exchange Rate

1 USD = 106.00 PKR

# Executive Summary

The degree of downward value addition in primary agriculture commodities produced in KPK and availability to different market segments is satisfactory up to the fresh form that is used for table purpose only. This implies the yield and quality of fruits and vegetables production are acceptable somehow by growers in field by adopting recommended crop extension practices to some extent and which is augmented by virtue of suitable climate and soil. But market inefficiencies and present system focused on trade volumes or quantity only of commodities brought in *mandis* for sale inhibit the upward integration/value chain formation in response to processors', manufacturer's and industry needs in case of direct supply from these markets.

Lack of functional and direct downward integration to suppliers on part of CA's on one hand and absence of meaningful terms of negotiations with buyers on the other in present system of marketing account for non meeting of quality production and adding value to consumer demands at broader segments. The only motive is to attract more farm produce for auction to earn more commissions and hence a rent seeking benefit derived at the expense of suppliers and consumers at large is verified as a result of this study and findings.

A mutually agreeable system of selling and purchase of agricultural commodities among market players including suppliers and consumers after participatory involvement of all stakeholders may be suggested to be put in place or current system be integrated with this approach as a working model. Creation of an enabling environment and implementation of law and regulations best adapted when legitimate interests of all stakeholders safeguarded and regulatory atmosphere adjusted to the corporate aspirations and consumer rights alike for faithful implementation and wider growth.

1. Whilst the KP Government has made an effort under the Marketing Act 2007 and General Rules to regularize the farm produce marketing in the region, in practice almost all marketing functions in the province follow unregulated trends tilted towards the commission agents' hold of the market dynamics.
2. The farm markets regulation in KPK is governed through KPK Agriculture Extension Department staff by bestowing additional charge upon an existing 19 grade official with two 18 grade officers at Peshawar and DIK districts where markets for farm commodities declared as publically regulated. Technically these officers in additional charge are not trained in agriculture farm trading portfolio and dynamics associated with it for effective control and supervision.
3. The prevailing marketing trends or system nevertheless, performs a few benefits to consumers in terms of availability of fresh farm commodities at retail markets on daily basis on account of taking risks for advancing loans and accepting deferred payments to producers and wholesalers respectively, for the agriculture produce brought in and purchased so in these markets.
4. Market efficiency or functions under this scenario missing to build downward linkages with farm producers to add value in response to different market segments as demanded by users in shape of processors, exporters and suppliers of produce to high end markets within the country.
5. Almost all agriculture produce at existing system of marketing are treated as current stocks only for commission purpose and not stored/owned stocks per se and that's why numerical facts and figures are always concealed for fear of revenue collection and regulation by the government.

6. Commission @ 5-7 % are charged in the Peshawar and DIK markets whereas 6.25 to 7 and up to 8 percent commission is charged one sided by CAs from suppliers in private markets. CAs also charges Rs 10 in most cases on each unit (bag, crate or bale etc, of farm produce) from wholesalers. This may be a surcharge or commission for delayed payment to CAs by wholesalers for the purchase of auctioned produce in the market.
7. Marketing margins for different farm commodities are different in ranges from producers/suppliers to wholesalers, from wholesalers to retailers and from retailers to various level end consumers at different market segments. For few selected major vegetables the marketing margin for Wholesalers to retailers ranged from 2.58 to 16.25 percent. From retailer to consumers at *mandi* premises it ranged from 20 to 40 percent. From retailer to consumers at low end market segments the range is from 36 to 50 percent. From retailer to consumers at high end market segment it ranged from 46 to 57 percent.
8. Similarly marketing margins for few selected fruits also ranged in different percentages as fruits traded between wholesalers and retailers and further from retailers to different segments of consumers. From wholesalers to retailers it was 10-14.11 percent. From retailers to consumers at *mandi* premises it ranged between 5.55 to 33.35 percent. At low end markets the range of marketing margins was from 15 to 37.5 percent. At high consumer segments the margins from retailers to consumers ranged from 25 to 50 percent.
9. The wider spread of up to or more than 50 percent in marketing margins especially by retailers to consumers may be partly accounted for, by conversion of unit of measurement from whole lots to Kilograms and partly because of location of consumer segments at high ends in the market which also includes transportation, sorting and grading etc, where some quantity of deteriorated nature also discarded in the process.
10. Though more private markets for farm produce being established but in effect this is an extension of the old system where mostly old CAs shift to newly established markets and hence no atmosphere of competition being introduced in new *mandis* as well.

# 1. Introduction

## 1.1 General / Context / Background

KPK is endowed with suitable conditions in terms of availability of natural resources as land, climatic variations and fresh water for successful cultivation of a variety of high value fruit and vegetable crops. The soil, topography and seasonal variations favors the production of seasonal fruits and vegetables along with off seasonal vegetables ranging all the way from the mountainous and sub mountainous districts through the central irrigated and southern plain districts in the province. Though average land holding is smaller than the rest of the country for an average farmer in KPK but lands are cultivated more intensely thus making the supply of agriculture produce possible round the year for retail and consumer markets locally and to the rest of the country by a chain of traders.

Based on the crop reporting services in 2010-11 by the provincial Agricultural Department an approximately 30513 tones of major vegetable crops are produced in 24 districts on 21221 hectares of land in 24 districts of KPK. Similarly, an approximately 309366 tones of major fruits are produced on 34123 hectares of cultivated land in the province where major crops here mean crops that are traded or offered for sale and purchase in *mandis* through CA's and their established network of contractors with linkages to farmers across the districts. This network on part of CA's enchains the crop produce growers against advances as loans to supply their produce to the agents in peculiar *mandis* and even to specific shops in present marketing system. This is where from the rent seeking behavior arises which is deliberately created at present *mandis* or marketing system for agriculture produce in KPK and similar situations in other provinces in the country to serve the monopolistic interests of CA's who seek/derive rent seeking behavior from influx of suppliers to their shops in *mandis* with little or no choice. That way, no new benefits created to public at large or suppliers in terms of value addition or quality control other than deriving self benefit in existing farm produce marketing practices by means of charging commissions and unjustified deductions at their own will only.

Almost all agriculture produce mostly fruit and vegetables have been traded in traditional markets (*mandis*) in KPK since pre colonial times till date which goes largely unregulated where CA's and pre-harvest contractors play a major role. Cash crops and other crops for which there is a government support price or contract farming mechanism with a buy back policy<sup>1</sup> are not traded in these *mandis* and like the other provinces in the country the subject has been governed by Indian Market Act 1939 with amendments that were made from time to time where a supervisory role given on part of government to regularize the operations of these *mandis*. Following the formulation and approval of NWFP agricultural policy in 2005, the Marketing Act 2007 was enacted followed by the General Rules.

Responsibility was entrusted for the first time on KPK Agriculture Extension Department to help exercise and keep check and balance of the marketing operations to the minimum regulatory framework as stipulated in the Marketing Act 2007 and General Rules apart from its primary mandate of extending crop production extension services to farmer community in the province at large.

Before this development in establishing regulatory framework towards reducing the monopolistic powers of CA's and to help growers receive fair return for their agriculture produce in the prevailing marketing system, no regulatory and supervisory mechanism existed except for issuance of licenses to key market players. This was done by municipal committee/town

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<sup>1</sup> This includes crop purchase mechanisms by tobacco companies and sugar mills and [REDACTED] for wheat

committee and TMA who used to perform as provider of basic infrastructure and premises for the marketplace for sale and purchase of agriculture commodities in the market and issue licenses in return of fees to commission agents, traders and wholesalers etc, and with a role to issue and circulate daily retail prices for the fruit and vegetables traded in the system till 1994 in the old fruit and vegetable market- along GT road Peshawar near Gulbahar and now in a newly acquired fruit *mandi* near Chamkani.

In view of regulating the *mandi* operations according to the law and regulations and to avoid congestion within the main city due to agriculture produce loaded vehicles the old *mandi* was shifted to ring road-Peshawar (some 6 kms away from the main city) in 1995, where business started with 72 vegetable shops only in 1998. But bulk of the business especially the fruit CA's still continued to trade in the old market without the endorsement of provincial government and local government ordinance 2001 which states there should be only one designated marketplace for trading of agriculture produce in the city. More or less situation prevails in the second agriculture produce regulated declared market in Dera Ismail Khan in KPK after the one in Peshawar. Rest of the agriculture produce markets in the whole province are privately run and close ended with no government regulations/Act in marketing to follow at all.

The DG supervises the affairs of these two *mandis* in KPK by appointing one deputy director marketing (BPS-19) and two District Officers Agriculture one each in Peshawar and DIK Districts who report to DG on progress of market matters according to regulations and also perform as co-signatories with chairmen of these two market committees on financial matters.

## 1.2 Scope of work and purpose of the study

The report as a result of this study on rapid market appraisal of agriculture produce markets in Khyber Pakhtunkhwa Province also highlights on the parameters as the kind and portion of agriculture produce commodities being traded in these markets, types of suppliers and buyers of agriculture produce, the degree of value addition to agriculture commodities, transportation, complain mechanism and the functions of central market committees and liabilities to fulfill from market committee revenues or fund thereto. Information on availability of alternate shopping places and prospects of establishing consumer market segments are also briefly elaborated in this report.

## 1.3 Research Methodology

The best research methodology or tools to select for finding required information and results out of the exercise depends on the specific nature and complexity of problem to deal with. The present study required observing and analyzing the existing market and trading situation of agriculture produce in KPK in light of the regulatory reforms introduced, compliance by the market players and capacity of public office (Agricultural Extension Department) to reinforce the regulatory framework and employing personal information collection techniques to the parameters of the consultancy task. This research study involved going out to the field and reviewing the regulatory framework in place to the maximum level and effort to meet the market and other stakeholders for extracting the existing information/data on agriculture produce marketing trends. Built on the information/data so collected was followed by analysis to help suggest recommendations and moving forward in line with market regulations and international best practices to enhance productivity and competitiveness as part of the overall effort in creating enabling environment for agriculture produce marketing in Pakistan including KPK Province.

Salient features of research methodology employed followed the route as below:

1. Reviewing and reading through the public regulatory framework documents (KPK agriculture produce and livestock market Act 2007 and subsequent General Rules 2011) to assess existing marketing trends against the required practices)
2. Personal meetings and interviews held with public stakeholders in Agriculture Extension Department, Gov of KPK.
3. Individual meetings, personal interviews and focal group discussions held with a range of market stakeholders as commission agents, suppliers/farmers, wholesalers, transporters and representatives from high end private sector markets.
4. Based on instructions from the FIRMS Lahore-office (BEE section) to the scope of work for the task, to plan for “visit and meeting” of market stakeholders.
5. As agriculture produce markets declared so far under regulations are just two in KPK province, so visits to privately run and unregulated markets in other districts in KPK also made to cover the situation as widely as possible in terms of agro-climatic differences and agriculture commodities produced therein.



## 2. Public Agriculture Market Regulations

### 2.1 Government of KPK initiatives to regulate agriculture produce marketing

1. Declaration of two agriculture produce markets in Peshawar and DIK as regulated markets in KPK to start with which is intended cover more than 09 agriculture produce markets in the Province.
2. Handing over of responsibility of regulation of agriculture produce marketing according to the passed Act and Rules to Agriculture Extension Department instead of town committee or TMA as had been the case in past.
3. Appointment of one Deputy Director Marketing (BPS-19 ) Mr.Fazli Khuda in Peshawar and two District Agriculture Officers (BPS-18) one each in Peshawar and DIK to help the DG agriculture office in implementation of regulation of the markets in KPK.
4. Construction of new agriculture produce market in Peshawar with Rs 180 million ADB loan by the government in 2006.
5. Amendments<sup>2</sup> to the market Act 2005, in terms of abolishing of notified area and establishment of regulated private sector market for agriculture produce and the setting up a lab to test the residual effects in agricultural produce brought to markets suggested and prepared by the agriculture department for passing in the KPK Provincial Assembly was presented last year.
6. "BYE LAWS" formulated and made by the Peshawar market committee as SOPs or good practices to follow in its execution of administrative functioning.
7. Constructions of new agriculture produce market in DIK with Rs 7.955 million in 2002.
8. A further Rs 100 million earmarked in the provincial annual development plan for strengthening of privately run or unregulated agriculture produce markets in KPK with a view to improve its functions and market activities. At the moment this initiative is underway with PC-1 and proposal in initial stage for launch of a three years project by the provincial agricultural extension department-KPK.
9. District Director Agriculture (DDA BPS-19) along with Subject matter specialists (BPS-17 &18) sit in each district of KPK. Where there is no DDA, Subject matter Specialists assume the responsibility of agriculture produce marketing person in charge in that district/s.

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<sup>2</sup> Details given by Director General, Agriculture Extension, GovP of KPK in an interview with him

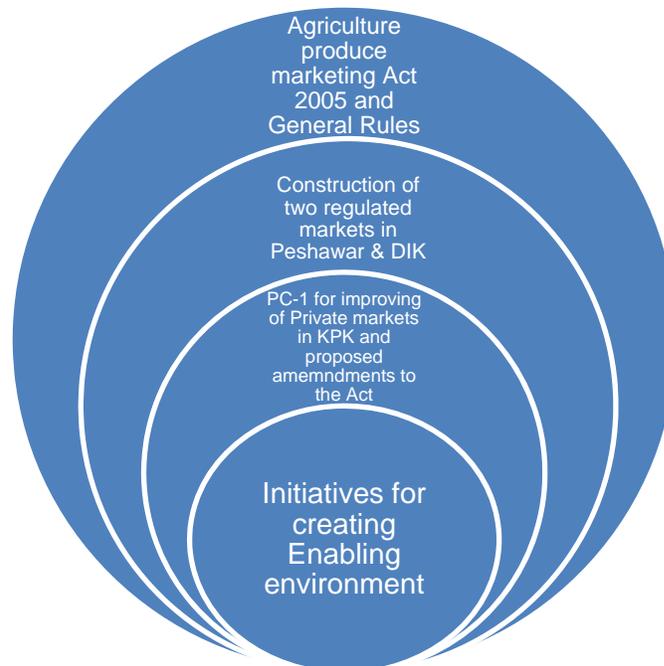
**Table 1: Tool for assessment of market regulation, MC Management and verification of physical infrastructure-Peshawar and Dera Ismail Khan markets-KPK Province**

	Parameter indicators as standard	Actual in practice	remarks
Regulatory framework according to NWFP Market Act 2007 & General Rules 2011	Both Act & Rules should come into force after notification	Partially or inadequately fulfilled in Peshawar & DIK markets	
	Publication of notices	Copies of Notification not affixed in notified market areas and market committees in both cases	
	Declaration of notified market area	No notices put up in conspicuous places declaring the market areas both in Peshawar and DIK	
	Licenses for dealers and buyers should be for one calendar year	Not all who deal in markets have been issued licenses or they expired without renewals	
	Constitution of market committee	Market committees formed in Peshawar and DIK markets but composition of members and participation not functional in management issues at <i>mandi</i>	MC in DIK not renewed since expiry two years back
	Election of chairman and vice chairman of the MC	Chairman and vice chairman elected in case of Peshawar MC but not in MC DIK	Periodic elections not being held in both MCs
	Budget committee and market cleaning services	Budget proposal submitted by MC Peshawar only	cleaning services in DIK
	Audit and accounts of MC	Record not maintained in both cases	
	MC staff members	Only 03 staff members in Peshawar market, no staff except cleaners in DIK	
	Licenses to brokers, whole sellers, weighmen and surveyors etc.	No licenses issued to all	
	Publication of market information	Agriculture produce prices circulated on daily basis	

Assessment parameters	Parameter indicators as standard	Actual in practice	remarks
<b>Market infrastructure</b>	Market for agriculture produce	Market buildings constructed both in Peshawar and DIK	
	Shops/places for CAs, wholesalers and retailers	Shops available	
	Auction sheds for CAs shops	Auction area available	
	Drinking water supply	Available at both <i>mandis</i>	
	Parking space for loading and unloading vehicles	Available both places	
	Wash rooms	Available in poor conditions	
	Lodging spaces for suppliers/traders from far flung areas	CAs provide lodging facilities to their suppliers only	
	Cold Storage	Not available at all	
	<i>Godown</i>	Not available at all	
	Bank	No branch opened near both <i>mandis</i>	Khyber Bank branch closed down near Peshawar <i>mandi</i> some years ago
	Electronic /manual scale equipment	No scale equipment of any type	All measurements done on packing units of agriculture produce brought at both <i>mandis</i>
	Roads and access to <i>mandis</i>	Poor road to <i>mandis</i> and both <i>mandis</i> away from city	Peshawar <i>mandi</i> is located in less secure area also separate fruit and vegetable markets in Peshawar.

Assessment parameters	Parameter indicators as standard	Actual in practice	remarks
<b>Fair and supervised agriculture produce market /trading practices</b>	Electronic or manual price board for agriculture produce information	Not present at all	
	Scale and weighing equipment for agriculture lots marketing	Not available and used at all	
	Grading according to agriculture produce market Act 1937	No Grading done for buying price and quality or no standardized grades in <i>mandi</i> trading	
	Arbitrators or MC for addressing complaints	Complaints settled between CA's and suppliers themselves. MC not involved in resolution of issues	
	Suppliers/farmers should be free to sell their lots to any buyer they want	Mostly suppliers/farmers have no choice but to offer their produce to a few commission agents' shops	
	Auctioneers from MC to observe and report on CAs purchases in <i>mandi</i>	No auctioneers in both <i>mandis</i>	
	CAs to charge commissions on prescribed rates for fruits and vegetables	CAs charge commissions from suppliers and also overcharge wholesalers for the produce bought so dual charges by CAs	
	Farmers as member of MC to observe marketing activities at <i>mandi</i>	Farmers as MC members rarely present in <i>mandi</i>	
	Inspection of weighing equipments periodically	No weighing equipments and inspection at both markets	

Assessment parameters	Parameter indicators as standard	Actual in practice	remarks
<b>Market management by Market Committee</b>	Market entry fee	Levied in both markets	Market fee collection through contractor on annual sum basis
	MC members meetings to address management and needed work issues in markets	Regularly done in Peshawar market. MC= 9 farmers, 6 traders, 01 consumer and 01 govt official also as co-signatory	No MC formation since last two years
	MC chairman sitting in <i>mandi</i>	Chairman Peshawar market MC mostly sits in his office in Deans Plaza Saddar-Peshawar. He rarely appears in <i>mandi</i> office for meetings with MC.	Chairman Peshawar market MC is also the President for All Pakistan fruit and vegetable CA's association.
	Central market committee fund	Fund maintained in Peshawar committee.	
	Cleaning and house keeping	Cleaning and house keeping maintained but illegal constructions being carried out within <i>mandi</i> premises.	
	Funds approval for MC	MC Peshawar chairman and District officer Agriculture as co-signatories for a joint account	
	Utilization of funds	Budget and proposal prepared and submitted for approval to government for repair works. A team comprising the chairman and members sent abroad for a week on an exposure visit out of market funds.	Secretary for agriculture, livestock and cooperative department-Gov of KPK also nominated but could not be on board for the visit.



**Figure 1: Government of KPK regulatory measures for agriculture produce marketing**

Though the provincial government has endorsed enactments for regulation and provision of necessary laws for fair running of marketing practices of agricultural commodities in the province but it seems struggling with and is in transition phase for implementation of the approved regulations with the market players especially the fruit commission agents. This segment of the market in the agriculture produce marketing is the most influential in terms of market hold and has become as cartel to pursue with its own interests in market affairs. The market affairs in KPK for agriculture produce still present an environment of non-regulation with little or no infrastructure facilities available to them by and large. And for the suppliers/farmers at time of offering their agriculture produce lots to the CA's at almost all *mandis*. Similarly, in the absence of a regulated market the suppliers mostly have no choice but to offer their lots to CA's at the latter's wills and whims.

In the next section we will explore through the current market practices for agriculture produce in KPK and see its role and ability to cater to the needs of farmers, suppliers, wholesalers and different consumer segments. First we will talk about situation in two regulatory declared markets in Peshawar and DIK but will also do mention trends of agriculture produce marketing/trading in other KPK districts that are largely unregulated. This way an attempt has been made to cover the province representatively in terms of climate and soil differences (arid and humid sub tropical), topography (sub-mountainous, irrigated and dry plains) and crops produced therein. To assess and verify current market practices against the regulatory framework an assessment tool developed and used while visiting these two markets in KPK.

## 3. Public Regulated Markets in KPK Province

### 3.1 Peshawar Market

Contrary to the Agriculture Produce Market Act of 1939 which allows only registered persons/firms for carrying out fruit and vegetable business in a specified area notified by the government, the fruit and vegetable business had been scattered all over the city within one district causing menace to the public and creating traffic jams. This was and still is the scene where fruit and vegetable business is taking place in old markets operating at various places of the city which is not only a public nuisance as mentioned above but also makes it difficult for the government to check their operations.

1. The government in 2006 constructed a new fruit and vegetable market, located some 6-7 Kms away from the main city at Jhagra village with borrowed money of Rs.180 million from the ADB to get rid of such messy business within the city. The shift of new market, however, created more problems than solution as only the vegetable section of the market shifted to new market and fruit business operates on its own by CA's along the main GT road on a privately acquired land near Chamkani, Peshawar.
2. Reasons for not shifting of all agriculture produce traders/businessmen to this new designated marketplace by the government were explained as the new marketplace being located far away in a less secure area as the business starts at or before dawn and ends before sunrise so moving with cash all the way from different parts of the city to this location is a risky job.
3. Similarly, fruit CA's for banana business are located in yet another market centre in the heart of Hashtnagri near wholesale fruit market on the plea that they require cold storage and processing units for ripening of green banana which does not exist in either of new and old markets. There in hashtnagri, they managed to hire or own cold processing units for banana and after banana ripening in those units they sell it off to wholesalers and that way all the business goes unchecked from the government as regulatory body on fruit and vegetable business even since passing of KPK Agriculture Produce Marketing Act 2007 and General Rules 2011. The banana market is located outside the domain of old and new markets for agriculture produce trading and business.
4. Also there are traders or fruit businessmen who travel to rural areas ranging from villages in KPK up to Punjab growers to directly purchase melons, water melons and (Garma from Baluchistan) in trucks and unload the stock in temporary tents outside the designated market places where they wish for direct sales to consumers. They purchase in bulks or on loaded truck and sell to consumers on per kg basis without any regulatory check on them as per the Act and Rules in law.
5. According to pre-colonial rule it was located in a designated market place area along the main GT road, near Gulbahar in Peshawar. It was declared the only marketplace for agriculture produce marketing in district Peshawar. All construction and management of the market was mandated to Town Committee

or TMA for issuance of licenses to market functionaries, fixation and circulation of daily prices for fruit and vegetable commodities and collection of fee etc.

6. Later on when the location became unsuitable for the business activities on account of space and public concerns (traffic jams and congestions etc), the location for *mandi* shifted to new place at Panj Tirath near Jhagra in 2006 which the CA's resisted first and so the government issued notice to shift all fruit and vegetable business to the new market till February, 2007. As per the current situation not all agriculture produce business persons shifted to the new market. Only the vegetable CA's and traders shifted to the new location. Here are some of the activities and findings to vegetable market only in Peshawar market<sup>3</sup>. Fruit trading is carried out in separate market which is privately run by fruit CA's near Chamkani on main GT road.
7. The new market in Peshawar was constructed on 46-48 geribs or 24-25 acres of land.
8. 206 shops allotted to vegetable CA's with dimensions of 15\*30 feet area each in addition to a 03 marla space allotted as auction space in front of each shop for which Rs 33,000 has been collected from all those CA's as auction desk charges.
9. Initially blocks as A, B and C constructed much earlier than Blocks D, E and F which are constructed recently.
10. A fee @ of Rs 1 per 100 kg of agriculture produce is also charged on trucks /vehicles destined to Afghanistan from Pakistan near karkhano market, Hayatabad but this fee is not deposited in MC fund and goes to the pockets of unauthorized contractors. This is a continuation of old practice where town committees in the city were authorized to charge taxes/fees under the local government in past that has been abolished now.
11. About 200 mini-shops of smaller dimensions constructed for agriculture produce dealers in vicinity of market but these are sold to outsiders for further renting it out to dealers.. The owners demand Rs 3000 as monthly rent for these shops and Rs 220000 as sale price for those who want to purchase them. Presently they all lying vacant because no one is willing to buy or rent it out as originally they were constructed for traders/wholesalers and in present case they have to buy or rent it from investors.
12. Small temporary sheds in access of 200 numbers for retailers permitted @ Rs 20 per space daily who sit just at the corners of main market place.
13. The government proposed to collect 10 percent from market operations/transactions in terms of all revenue collected and trading done. This 10 percent will be utilized in establishing of new markets.
14. No cold storage available in new *mandi*.
15. No *godown* for storing of stocks available.
16. No electronic or manual scale available.
17. No electronic and manual displays of information of agriculture produce information to suppliers and wholesalers.

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<sup>3</sup> All these details and findings shared during market visits and interviews with market players

18. MC members absent most of the times and periodic meetings rarely takes place to discuss and address market management and housekeeping issues.
19. No license fee collection as the MC did not issues notices and application forms for the same to market dealers as learnt from the general and press secretary of the new market.
20. The sections in the allotted shops to CA's are further rented out by them to illegal dealers without any approval and authority. So shops within allotted commission agents' shops operate illegally.
21. No proper wash rooms and toilets for agriculture produce suppliers in the market. The CA's accommodate their own clients/suppliers in their shops' wash rooms and provide lodging and meals for them only but generally the wash rooms and toiletry facilities for all in the *mandi* is deplorable.
22. No bank in or near *mandi*. The one Khyber Bank branch has been closed down some years ago.
23. Only three staff members as accountant, weigh men & bridge operator and watchman were found present while on visit to new market for three days.
24. Market entry collection fee has been outsourced to a third party or contractor on a lump sum amount of Rs 145 million / one crore and forty five lakhs on a full year basis. This amount goes to the central market committee fund. This market collection fee is less than in past which was Rs 178 million or one crore and seventy eight lakhs.
25. Auction starts at dawn or pre dawn at Peshawar market and lasts till noon at peak season or at sunrise in normal days. The vegetable CA's expressed their dissatisfaction over the auction timings at Peshawar market as the main agriculture produce market in Rawalpindi nearest to KPK starts at 1.00 am at night and therefore, many suppliers from around other districts in KPK prefer to transport their stocks to Pindi market instead of getting to Peshawar after spending the night in wait for auction the next day.
26. Only those near to Peshawar *mandi* or those who cannot make it through to pindi market in quest for good prices bring with stocks to Peshawar market. The situation would have been different somehow if auction timings change from dawn to evening they hoped. But due to the new market being located off the city in a sensitive area it is always risky to move with heavy cash after sunset after the auctions ends after evening. A few cases reported where several CA's and suppliers looted and even killed on way back from market in some cases in past.
27. Around 20-25 CA's are from Afghanistan in Peshawar market for doing vegetable business. There were several complaints against them from local CA's as they pointed out they operate without licenses and illegally do business there. No one knows about their whereabouts and a few mishaps occurred in past and even now when they disappear after having dealt agricultural stocks from suppliers and buyers on credit and then run away. This whole business is based on trust and credit and without checks and regulations anyone with ill and deceit giving intentions may easily enter into the market affairs after doing some business and then flee with stock and money with them, the CA's disclosed while interviewing them.

28. Afghan CA's should get license with guarantors to do the business in market or against a bank account as guarantee with MC to curtail such happenings in future, they suggested.
29. According to CA's at Peshawar market there should be no other market for agriculture produce trading (where purchase and selling at bulk take place) within 20 kms from a market point but another similar market on private basis operates just a few kms away in Taru Jabba. Similarly such other markets operate on regional basis where auction starts mostly at evening.
30. According to the press secretary Mr. Tahir Khan in Peshawar MC, no copy of Agriculture Produce Marketing Act 2005 and General Rules 2011 circulated to CA's and he himself is in no receipt of these notifications, he added.
31. There are three categories of licenses to be issued and renewed every year according to general Rules of the marketing Act but in practice no licenses issued to wholesalers/traders and daily parchi of Rs 20 being collected from retailers inside the *mandi* premises. Licenses for CA's being charged @ Rs 1500 per year but licenses not issued to all CA's or not renewed yearly as required in Rules.
32. Bidding or offering the buying price as first price for agriculture produce is performed by the commission agents.
33. The criterion of bidding or setting stage for buying by CA's is per se that is, it's not on certain defined grounds or standards known to each party in this process. It's based on his visual observation of a few units as a sample and experience to deal with this undertaking time and again. In other words the CA's do set the stage for buying between the two parties as seller ( suppliers/growers/traders) and buyers ( wholesalers) but the basis of transaction ( grade of agricultural commodity, quality and attributes) not known to them in documented and agreed terms. So suppliers in the present system of agriculture commodities marketing are subject to one sided buying prices brokered by CA's on behalf of wholesalers in return for their commissions. This trend happens in all markets for agriculture produce in the Province.
34. CA's charge 5 to 7 percent on vegetables brought to their shops in Peshawar market. The unit of measure is packing unit (polythene bags, crate or bale etc); the suppliers or traders use to bring agriculture produce stocks to markets. In a lot, commission charges are applicable to all units of the lot which is usually deducted in Rupees.
35. Cash transacted in return of vegetable lots after commission and other deductions brought to *mandi* by suppliers/traders while amount for buying same lots debited to wholesalers after overcharging @ Rs 10 per each packing unit of the purchased lots added to the final bid price in the auction process. The debited amount is recovered after an agreed period of time between CA's and wholesalers/traders.
36. All purchases in the market brokered by CA's are on current stocks basis that are offered and brought by suppliers and traders to market for sale and not on stored stock basis under the custody of commission agents. This means the CA's after seeing the samples for placing a first bid price till end price which is mutually agreed between the two parties as sale and purchase transaction or deal, no ownership is accepted and record maintained except for the total brought in stock

to market by suppliers which is bought by wholesalers on current basis only for commission calculations and charges etc.

37. Record maintained so for their commission purposes is not usually disclosed to others especially outsiders for fear of their commission being disclosed to them and levying of tax from government on income as they say they only deal in current stocks from suppliers and don't take the responsibility of the brokered stocks for ownership and possession. Even name or type of agriculture commodity traded by themselves is not mentioned on cash memos except for the no of packed units of agriculture produce brought in, for calculations of commission, other deductions as advances to suppliers/growers and transportation charges etc, that are usually charged back to suppliers from the gross amount for total value of the offered lots and thus a net amount is paid to suppliers.
38. There are categories of CA's based on their daily commission in rupees charged as a result of brokerage in daily vegetable trading in the market. About 70 CA's who sit in Block A, B and C at Peshawar market and deal in agriculture produce trading for long time are estimated to earn Rs 45-50 thousands and above in commission. Turks carrying tones of loads of potato, onion and tomato etc, daily transporting to and carrying vegetables from other parts of the province and country were observed while on visit for the task to the market.
39. There are 60-70 CAs of whom some sit in Blocks C, D with a few in D and E who earn daily commissions up to Rs 25-30 thousand and more. These two groups has an organized and well networked mechanism of contractors who on their behalf manage to advance loans to farmers both within and outside KPK on pre-condition that agriculture produce for which advances made to them will be brought to the CAs shops for sale.
40. Remainder of about 80 CAs are relatively smaller in terms of daily commission earning up to Rs 5-10 thousands and sit exclusively in Blocks D, E and F. they also rented out portions within their shops to other individuals as CAs and even constructed shops within allotted shops without approval and authority from the MC and government.
41. Around 20-25 individuals of afghan origin and a similar or so in number as local persons also deal as CA's without having a license, shop and any authority in this market. Their number varies from time to time and licensed holders CAs have many complaints against them. This issue of taking illegal commissions could not be resolved by MC yet. They offer better bid prices to suppliers than other CAs in the market but at time of payment they adopt delaying tactics and on many occasions have disappeared with pending amounts to repay against them.

### **3.2 Markets in DIK and other districts in KPK**

Market committee in DIK could not be formed for the last two years and market affairs are more or less like in Peshawar market. Other markets visited as fruit sections of Peshawar market located differently than vegetable market, Charsadda, Mardan, Mingora (Swat) and Mansehra as part of the study were found as totally unregulated or privately run markets. So in effect all markets in KPK function as deregulated entities with little or no codes of any regulations to follow in accordance with KPK agriculture produce Act 2005. Most features are therefore not

repeated here except those where the regulatory declared and private markets differ; these are elaborated briefly hereunder<sup>4</sup>.

1. All these private markets are constructed on acquired land purchased by an investor or a group of private CA's and then platform for the market built with shops on it. Shops were then purchased by individual CA's as their business points for agriculture produce in their respective districts.
2. No market committees in these *mandis* rather CA's have formed associations with a president to deal business and routine *mandi* house keeping matters.
3. No proper infrastructure maintained with respect to cleanliness, vehicle parking and facility for wash rooms and even water availability.
4. In reality each CA in privately run *mandis* is responsible for matters happening within his shop only for business, cleanliness and maintenance etc, with no obligations owed to the market association.
5. No overall codes of conduct for business in the private *mandis* for agriculture produce.
6. Some growers in Swat market are not even allowed to sell their produce if they not attached to any commission agent in the market.
7. Private *mandis* located in congested areas of the main cities and thus farm produce loaded vehicles further aggravates the traffic situation in the city.
8. No revenues to government in terms of license fee, contribution and taxes etc, except for municipal utilities services.
9. Varying rates of commission charged ranging from 7-10 percent that is converted to Rs per unit of agricultural commodity packing which is a bale, crate, shopping bag or sack etc, as normally done in all markets in KPK.
10. All seasonal fruits and vegetables produced locally are traded in these markets. A trend is growing fast where local farmers prefer to sell their agriculture lots to outside *mandis* in Rawalpindi/Islamabad, Lahore and Peshawar markets for better prices for their lots. Once traded in these markets they are brought back to these local *mandis* for sale by some traders.
11. Almost all business done through a network of pre harvest contractors who at time of flowering advances loans to growers in installments till maturity of crops and then take the produce where they want to sell it, usually to CA's on whom behalf they work.
12. Some progressive growers in Swat and Mansehra who produce for quality and in relatively larger quantity also compelled to sell their produce through this system because there is no alternative system. The most good they can do is to bring the produce to *mandis* themselves where they prefer, instead of contracting their crops and produce to pre harvest contractors in return of cash advancements.
13. Growers even up to the land holding of 100-150 *kanals* ( 12.5 -18.75 acres) take advances from pre-contractors in return of their fruit orchards as growers don't have enough cash to arrange for inputs as seeds/fruit saplings, fertilizers and other requirements for raising crops in months of December till January-February.
14. Some new private markets built in certain cases for example in Mansehra, but apart from new construction the same old trend prevails there as well. In effect, these new markets

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<sup>4</sup> Information collected through in depth interviews with agents and suppliers in the market

are an extension of the old market functionaries/players in the sense that old CA's shift to newly built markets or their relatives or other members of the same families manage to own a shop in these markets. That's way no new individuals can enter into the system to a great extent which may create an environment of competition in existing agriculture commodity business/marketing in the province.

15. Two auction timings for agriculture commodities in Mansehra new market with day time auction for fruit and vegetables auction starting at evening.
16. Certain additional charges also being charged in privately run markets. These include, but not limited to higher rates of commissions from suppliers and overcharges from wholesalers and undue deductions from suppliers in many ways.



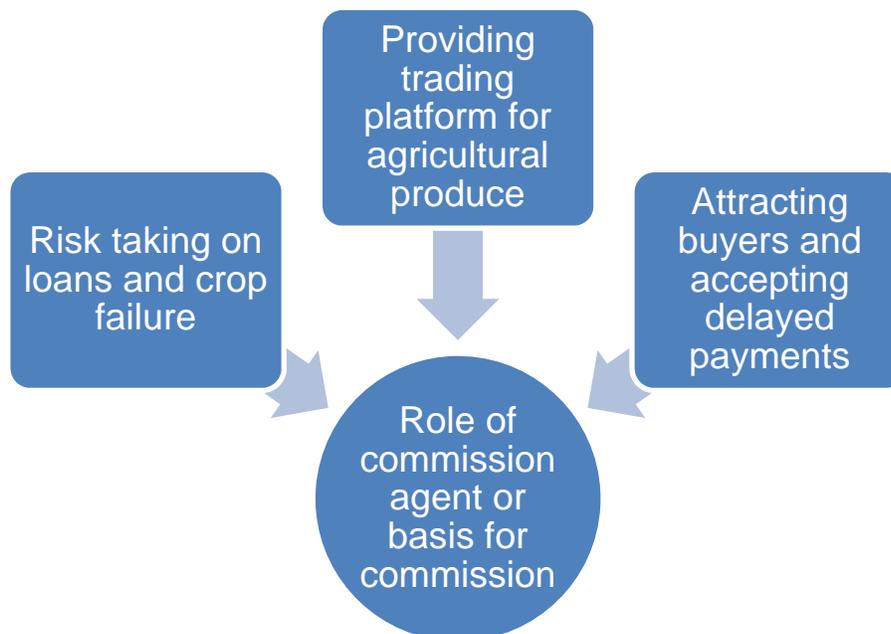
## 4. Market Efficiency

### 4.1 Benefits to consumers

The only benefit or efficiency of existing agriculture commodities activities/system in the province which is largely unregulated or privately run is the extensively networked sale and purchase entities scattered not only in the KPK but all over the country. Owing to this network of the same kind, agriculture commodities i.e., fruits and vegetables are distributed/transported and available all over the country through another series of wholesale and retail businesses attached to this marketing system which is taking place almost the same time. Just after the auction of fruits and vegetables take place in *mandis*, the wholesalers sell it out to retailers who in turn sell to a series of middlemen or other retailers for reaching to end consumers in all segments in return of earning a marketing margin for each in the process or chain.

This fact is to be admitted especially in the absence of an alternative marketing system in place in the country including KPK. CA's advance huge sums of money in loans to pre contractors for onward advancing to growers on a "crop produce bring back to commission agents," agreement. The CA's thus perform three basic marketing or business functions in return for their commission in the existing system. These are;

1. Takes the risk for advancing loans and accepts the loss in case of non conformity of bringing their farm produce to them by the growers/suppliers. Moreover, if the crop fails due to calamities and diseases, all or most losses go to the CA's or pre contractors on behalf of them.
2. The CA's provide platform for sale and purchase of agriculture produce because they have purchased shops or invested in marketplace for the market operations.
3. Provides on the spot payment to suppliers after auction and debit wholesalers for delayed payments usually after a week or on periodic installments basis.



**Figure 2: Three basic functions of CA's role or benefits of the system to growers and consumers in the existing agriculture trading system**

## 4.2 De-Merits of current marketing system for downstream value addition, competitiveness and productivity

- a) **Non preference of quality with yield for agriculture produce over yield** (tonnage) only by CA's through pre contractors: the moment the crop is contracted to pre harvest contractors, all crop management responsibility and risk shifts from growers to contractors as was reported by most of the growers met and interviewed during visits in field. Pre harvest contractors only come to the contracted crops at times of field operations like pruning, fertilization, irrigation and spraying against pests etc, with little or no proper agricultural extension support. They bring some labor persons along with them to carry out these operations as and when required. They are not experienced and expert in crop production for quality and yield one crop agreement holder with contractor, ██████████ near Mingora, Swat.

All the crop quality they get in areas like Swat is attributable naturally to soil and climatic conditions there with fewer roles of pre contractors in it as such. They only interested in more yield/tonnage as all transactions in agriculture produce marketing in existing system of *mandis* focused on overall produce/yield that is divided into packing units in form of crates, sacks, shopping bags etc, for calculations of commissions by CA's at time of trading in *mandis*. Had it been for quality and standards for the fruits and vegetables production and purchasing accordingly for fair prices in the market, the situation for farmers would have been much different and better in terms of income and productivity, they agreed. It may, therefore, be concluded that present system of marketing of agriculture produce is an impediment to productivity and enhancement of income for growers and serves only the interests of CA's and pre contractors despite the benefits as highlighted above. Certain progressive farmers estimated at 5-7 percent who manages to apply recommended crop production practices tend to bring agriculture lots to market traders in Peshawar, Pindi and Lahore for better prices in return.

- b) **Value addition and response to consumer segments:** Agricultural value chains with essential and directional/desired value additions to farm commodities produced dependent upon the need to conserve and preserve its natural quality for some time till it reaches to consumers and more importantly to consumers' preference and tastes. The need to add value therefore, comes from consumers to processors and then producers as opposed to supply chain which runs from producers through marketers to consumers. The ideal chain is thus, to move goods and services including agriculture produce, produced with added consumers' preferences and tastes and supplied from markets to consumers after processing. Present system of agricultural commodities marketing in KPK inadequately addresses these functions partly because of less demand of value added farm products from consumers at large, and partly from its inefficiencies to promote and meet the desired quality farm commodities from producers/growers end they deal with during trading. For it serves only the interests of CA's to earn more commission on maximum number of packing units during trade operations. There is practically no downstream integration of CA's to growers with respect to quality crop production except for higher tonnage nor they maintain any meaningful negotiation and terms with wholesalers (buyers) in almost all KPK for meeting desired specifications of agriculture produce for meeting different segments of consumers (fruit & vegetable processors, canners, superstores, high end markets and export etc.). The downward value chain which is fulfilled to some extent by applying inputs like certified seed/saplings for crop production and following on recommended extension practices for irrigation, pest control and harvesting etc, for attaining a reasonable crop quality is mostly performed by growers in field. The upward value chain through operations as

sorting, grading, proper packing and packaging according to consumer demands in desired form is discouraged by mechanisms of existing *mandi* system for agriculture commodities. These operations not being done to primary value added agriculture produce (downward value chain) as this is not dictated through a coordinated mechanism or integration to growers and thus not rewarded by CA's as a factor of quality produce for better pricing.

- c) **No sorting and grading at mandi level:** After primary sorting and grading of agriculture produce by growers before bringing their stock for sale into current agriculture commodities markets, virtually no grading done by wholesalers after auction and pass the stocks after earning their margins to retailers and middlemen. It is at this stage that the unit of measure changes from packing unit (sack, bag or cartoon etc, to price in term of per kg basis) and these packing units opened for re-grading and sorting etc. To cover the losses of damage and rotten stocks, if found in the purchased stocks from wholesalers, the retailers mix the lots with ripe and unripe, small, medium and large and sometimes with different varieties as well, especially in fruits. This trend is so common in case of buying from every retail or hawker in the city. Sorting and grading in the agriculture produce marketing system for the purpose of auction/buying would have reduced this trend of supply of mixed graded stocks in all steps of the chain. Not paying attention to the quality of produce thus triggers a spillover effect.
- d) **Only primary processing done by some traders:** Primary processing done to fewer fruit crops as mango and banana in summer season and *kinno* (mandarins) and oranges in winter for proper ripening before auction as these crops picked at green stage before shipment to *mandis* for 1. Fear of damage to stock in transit to markets if picked at right maturity in fields and 2. Partly because of the marketers including the suppliers' quest to fetch better prices as seasonal fruits brought earlier into markets and on consumer tables attract higher prices.

As a mean of ripening of mangoes, calcium carbide is used to give them a yellowing color that is artificially induced to attract consumers. It is available for a little more than Rs 100 per kg and that's why wholesalers and retailers find it easy to use carbide than keeping them at stores till mangoes reach its natural maturity before sales to consumers. Absence of an alternate to using calcium carbide also makes the issue live. Similar ill-treatments are also given to other fruit crop commodities by them for the reasons given above. This is in effect not only a de-valuing treatment to fruit stocks but also is a criminal offence against consumers as calcium-carbide is cancer causing when used with edibles like fruits etc.

Similarly, banana is traded and processed for maturity in another market location from the privately run fruit market in Peshawar. It is located within the Hashtnagri bazaar near whole sale markets for fruits and Gur. There are 13-14 banana fruit CA's who independently bring in banana stocks in green lots through pre contracting banana growers for their orchards in Punjab and Sind. The banana CA's own shops and cold processing units either as owned or rented entities there. After processing green bananas in cold processing units which is essentially yellowing the banana stocks for showing maturity signs with the help of regulating temperatures using ammonia gas as an cooling agent, the so yellow turned banana stocks are then auctioned to wholesalers and traders using all the same trade mechanism as in other fruit markets / *mandis* in KPK. Banana is a highly perishable fruit commodity and cannot withstand long periods even up to a few days in transit from Sind and Punjab if picked at mature stage. One of the banana commission agent and processor who was interviewed as part of this study said "our banana varieties though of high quality and taste but lacks shelf life and with

current packing material and ways it cannot be transported with longer times of transportation while picked mature from fields. Absence of an alternate in this case too, make the traders process banana using ammonia gas for yellowing and maturity". Guava and other fruits like oranges and *kinnos* etc are also given similar treatments in stores using temperatures or chemicals for enhancing maturity. Many a times we experience a raw pulp in taste while eating a seemingly ripe and yellow fruit of mango or banana especially in early season of these fruits!

Several factors accounting for these malpractices are; perishable nature of fruits to withstand long hours and distances of transportation, non availability of packing material to carry these perishable commodities, no existence of proper regulations and implementation of laws on SPS and related requirements to fulfill hygienic protocols and quest of growers and current marketing tendencies to fetch higher prices for making fruits available early in the season. Note many orchards are pre contracted by CA's and they on their own will to pick fruits while at green or immature and after processing and selling to wholesalers at high price, earn more so!

## 5. Alternate Shopping Places

In a few cases as in CSD army stores and some other grocery stores in Peshawar 5 (A Von Superstore, Sunday Bazar in Hayatabad etc), fruit and vegetables simply brought in, to these places for sale to consumers. People do prefer fruits and vegetables in fresh form for table purpose which are abundantly available all over the city at every place. Quality of agriculture commodities in these stores is not popular among consumers as was learnt from consumers in a chat with them while observing these segments in Peshawar city. Moreover, there is a vast network of retail dealers scattered across the city who sell fruits and vegetables in fresh form in addition to wholesale markets illegally operating in almost every populous corner of the city where most of the public consumers can be seen buying items of daily kitchen use in large number.

A Von superstore maintains its own or contracted citrus farm in Swat and Malakand where from it procures a famous citrus type known as "Pall aye" which is preferred by consumers. There are virtually no frozen and processed fruits and vegetables available in these stores except for a few imported food items in superstores in the form of canned products. On the contrary frozen and processed chicken in wholesome and in parts, fish and livestock processed and value added items are available and gaining popular among consumers in the high end markets and stores as a consumer segment in main cities like Peshawar, Mardan, and Abbottbad.

While super and grocery stores do not have separate fruit & vegetable sections for catering to specific segments of consumers commonly in KPK and its main cities, stalls and cabins as retail outlets for well graded and comparatively orderly presented fruit and vegetable items than with common hawker retailers, can be seen in abundance all around the city as selling points for all segments of consumers in general.

The situation in KPK is thus in sharp contrast to major cities in other provinces of the country for example in Lahore in Punjab where a trend is evolving for fruit and vegetable sections as buying points in major superstores of the city for high end consumer segments. A short comparative survey also made as part of the study to capture this trend and to help assist in assessing the markets in KPK to respond to such trends now and in future.

In Lahore, Punjab's largest city, major superstores as Hyperstar, Green valley and Metro stores etc, separate sections for fresh fruits and vegetables within the stores being kept and maintained as retail selling points for consumer segments in the market. Procurement of fresh fruit & vegetables to the stores done through outsourcing to a third party who manages to bring stocks of agriculture commodities from the Lahore agriculture produce markets according to the needs of the consumers from the stores. Separate license issued from the market to these buying parties for retail sales in the stores and stock supplied according to the mega stores needs and specifications. Similar activity also noted in case of CSD army store-Peshawar for buying vegetables by a contractor for the fruit and vegetable section of the CSD store, from a wholesaler, ██████████ in Peshawar vegetable market.

But it's not only about procuring agricultural commodities from the F & V markets that makes F & V sections in mega stores popular as selling points among customers but allied added services and activities like presentation of fruits and vegetables in the stores, proper grading for uniformity, truth of label to variety types presented and introduction of discounts on occasions like Ramadan and other festivals matter greatly to attract consumer to pay for the value they get from buying in these stores. Behavior of section attendant and liberty for customers to exercise

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<sup>5</sup> Various interactions for consumer feedback made with consumers in these stores during the survey.

“choose and pick” option while shopping at stores than being given stuff in required quantity at shopkeeper’s or retailer’s will also has have an impact in opting for shopping at stores. At CSD Peshawar, the F & V section is merely an extension of retail shops by these standards.

## 6. Potential to Cater to Market Segments

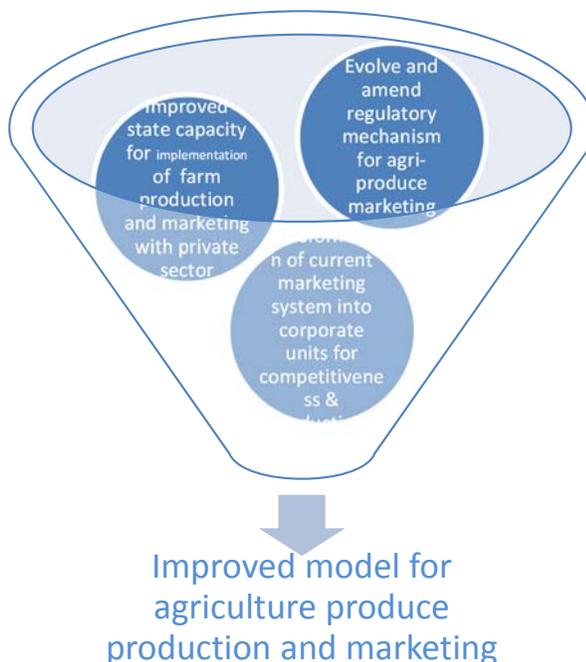
Owing to its diverse climate, rainfall pattern and topography among its districts ranging all the way through mountains of Chitral, Gilgit and Swat to plains of Peshawar valley up to vast dry sub tropical areas in DIK and FATA, KPK is suitably placed ecologically for cultivation of a variety of fruits and vegetables one will ever find in the rest of the country<sup>6</sup>. Present system of agriculture produce marketing in KPK may play an efficient role due to its ability to distribute and make fruits and vegetables available to different consumer segments, provided the terms and procedures for trade are regulated and streamlined in response to needs of high niche markets for exports, indigenous processing units and value added fruit products in the country.

A holistic approach comprising of creation of an enabling environment for production and marketing of agriculture produce along with implementation by state and private sectors is crucial in achieving the desired outcomes in main domain areas as given here;

1. Formulation of new and/or amendments to current law for agriculture produce in KPK, which is reflective to the corporate needs and aspirations of the entrepreneurs in agribusinesses related to fruit & vegetable commodities.
2. Capacity and professional acumen on part of state to implement and regulate laws through private sector for crop extension & production, marketing and processing of fruits & vegetables in accordance with best practices and hygienic protocols.
3. Proactive role of current market players in agriculture commodities marketing in forging downward integration towards growers for producing crops in terms of quality and yield and building better market linkages.
4. Improved marketing structures and mechanisms in the form of corporate units for agriculture produce than merely acting as agents and bulk buyers for earning commissions and distributing the lots to retailers for increased marketing margins respectively for CAs and wholesalers, as is happening now, by and large.

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<sup>6</sup> Review and findings as secondary data from various reports on agro-climatic environment for agriculture & horticulture in KPK.



**Figure 3: Steps for developing existing marketing system of agriculture produce towards better responding to market segments**

During focus group discussions and individual interviewing with market players in Peshawar markets it was learnt that a sizable quantity of fruits and vegetables go to Lahore through a network of traders to supply quality agriculture commodities for the processing needs of industry. This supply chain is complex and involves various steps in final supply to industry needs after sorting and grading with respect to specifications sought by processors. This finding advocates for the possibility that had the marketing and efficiency performance of Peshawar market been good enough it would have been in a better standing to cater to the processing industry needs by securing bulk purchase orders and thus establish supply chains directly and solely without too many traders in between. See steps for establishing improved agriculture market model above.

## 7. Afghanistan-Pakistan Transit Trade Agreement (APTTA)

Peshawar market serves as a main corridor for almost all vegetables and fruits to Afghanistan through a network of wholesalers and traders in loaded trucks leading all the way through Peshawar to Torkham pass in Pakistan and then to various points in Afghanistan. Similarly there are traders in Afghanistan who ship seasonal fruits as apple, grapes, pomegranates, apricot and *Garma* melon mainly to Peshawar market and to some volumes in DIK market as well. Before and after it enters through the Torkham pass from each country both sides, trucks loaded with agricultural commodities are subject to various revenue collections of governmental and regional authorities till reaching to final destinations. From Peshawar and other KPK markets it then enters into different parts of Pakistan by wholesalers and traders in much same ways of trading agriculture produce on commissions and bulk buying to retailing to a series of middlemen till reaching final consumers. Marketing margins earned at each step after wholesale in almost same manner as in case of rest of the fruits locally.

Many Afghani CA's in KPK markets and traders with linkages to Punjab and markets in other Provinces with local traders, seasonal fruits from Afghanistan are transported to Pakistan. Several types and number of wholesalers and traders involved at various stages and places of this trade route between Pakistan and Afghanistan for fruits and vegetables through agriculture markets. This mutual trade is governed by regional/both country laws and revenue collection mechanisms during the transit. This trade route is different from APTTA which is defined by International trade agreement on the principle that as Afghanistan is a land locked country without having a sea port to trade with outside world so neighboring countries as Pakistan and Iran are obliged internationally to provide the land locked country with duty free access to its ports for transporting export goods to India and outside world.

Pertinent to note here is that APTTA is not a trade between Pakistan and Afghanistan. It's an Afghan trading route through Pakistani ports to the outside world and similarly facilitating Afghanistan trade imports duty free via Pakistan. In other words no trade occurs between Afghanistan and Pakistan under APTTA rather international trade facilitated for Afghanistan through Pakistan by access to duty free ports in Pakistan under the international obligation. The movements of materials, fuel and military equipment/machinery/equipments etc, for international forces (ISAF) in Afghanistan are governed by yet other agreements than APTTA.

The APTTA<sup>7</sup> was signed on 18 July 2010 in Islamabad by the secretaries of commerce of Pakistan and Afghanistan in the presence of the Pakistani Prime Minister and the US Secretary of State, says the Pakistan Observer. According to the Associated Press of Pakistan, the APTTA replaced an out-dated transit trade pact established in 1965. In short, it establishes a regulatory framework in which Afghan businesses will be able to export goods easily through Pakistan to India, China and beyond via air and seaports. Under the agreement, Afghanistan will also be able to import goods with fewer delays and expenses via Pakistan. Similarly, Pakistani businesses will be able to export goods with greater ease, with regards to customs and paperwork, via Afghanistan.

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<sup>7</sup> Information collected from the report "Transit Trade in Transition: The APTTA & The Afghan Economy-November-2011 by Steven A. Zyck  
Economic Development Knowledge Manager

Other key elements of the APTTA, which have been extracted and summarized from the full text of the agreement, include the following:

1. Transit trade through Afghanistan and Pakistan must take place along pre-determined routes and only utilizing specified ports and border crossings.
2. Afghanistan and Pakistan are obligated to ensure that suitable infrastructure and personnel are available at border crossings.
3. While each country remains responsible for licensing transport operators (e.g., trucking firms) registered in their territory, Afghanistan and Pakistan should seek to harmonize their standards and regulations in this area.
4. Transport operators from Afghanistan and Pakistan which receive a “temporary admission document” will be able to transport goods through the other country’s territory. That is, Afghan trucks may send carry goods via Pakistan to India rather than having to re-load them onto Pakistani trucks at the Afghanistan-Pakistan border, as had previously been the case.
5. The Afghan government shall recognize Pakistani driver’s licenses and vehicle registration documents, and vice versa. In addition, Pakistan and Afghanistan shall begin to harmonize the regulations and standards for inspecting and certifying trucks used in the transit trade.
6. The Afghan and Pakistani governments shall expedite and simplify the process for awarding multiple-entry visas to truck drivers from one another’s countries.
7. With the exception of selected items, goods transiting through Afghanistan and Pakistan shall be stored in sealed containers which meet international specifications.
8. Customs officials may inspect the contents of up to 5% containers at the point of entry into Afghanistan or Pakistan and may not undertake additional inspections unless signs of regulatory violations are found.
9. The Afghanistan-Pakistan Transit Trade Coordination Authority (APTTCA), which is established under the APTTA, is responsible for monitoring and facilitating the implementation of the agreement.
10. The text of the agreement authorized a number of routes by which Afghan goods could transit via Pakistan en route to India or other international markets. These routes begin and end at the following ports and border crossings: Peshawar-Torkham, Chaman-Spin Boldak, Ghulam Khan, Sost-Tashkurgan, Port Qasim, Karachi and Gwadar port. It should be noted that the APTTA concerns only trade through Afghanistan and Pakistan but not trade between Afghanistan and Pakistan, which is governed by separate trade, border and customs regulations and agreements as mentioned earlier.

The following table provides the reader with an idea of the growth in agricultural exports from Afghanistan. It is included here given that agricultural products are likely to be among the most heavily exported items from Afghanistan under the APTTA.

**Table 2: Afghanistan's Licit and Documented Agricultural Exports, by Export Value and Average Annual Increase in Exports <sup>8</sup>**

Agricultural Product	Export Value (USD '000s) in 2009	Average Annual Export Value (USD '000s), 2002-09	Average Annual Increase in Export Value, 2002-09
Raisins	53,359.00	21,876.50	50%
Almonds Shelled	35,476.00	10,205.00	81%
Crude Materials	30,499.00	7,261.13	88%
Almonds, with shell	23,966.00	6,367.50	91%
Pistachios	19,902.00	10,582.75	87%
Sesame seed	14,289.00	5,026.13	244%
Walnuts Shelled	12,825.00	3,092.00	-
Apricots	10,915.00	2,245.50	102%
Figs Dried	9,836.00	10,916.63	-
Potatoes	9,094.00	1,689.00	131%
Hair Fine	7,559.00	1,739.50	-
Fruit Fresh Nes	6,949.00	2,005.63	108%
Anise, badian, fennel, corian.	6,888.00	5,964.25	108%
Grapes	6,852.00	8,753.00	56%
Dry Apricots	6,331.00	4,220.63	46%
Plums Dried (Prunes)	6,196.00	790.75	-
Apples	4,683.00	3,012.88	106%
Skins dry Slit sheep	4,227.00	555.13	-
Other melons (inc. cantaloupes)	2,816.00	1,207.75	79%
Vegetables fresh nes	2,394.00	3,115.25	65%
Fruit Dried Nes	1,590.00	1,465.13	71%
Walnuts, with shell	1,456.00	216.63	549%
Citrus fruit, nes	1,136.00	152.50	-
Hides Wet Salted Cattle	593.00	222.38	92%
Skin Furs	178.00	1,289.00	1%
Pulses, nes	93.00	1,694.00	5%

<sup>8</sup> By information/data sources given in the same report by Steven A. Zyck ,Economic Development Knowledge Manager



## 8. Marketing Margins

All market players as commission agents, wholesalers and retailers derive market margins or profits in present system of agriculture produce marketing in KPK as well, as in other parts of the more or less similar system in the country. The difference, if any is due to rates of commission charged, overcharges from the wholesalers according to the market regulations & management in practice and segments of consumers at different places.

This also makes the final mark up on each rupee the supplier received for selling his/her produce through this system. Marketing margins calculated for a few major vegetables and fruits traded in the Peshawar market are given for example;

### 8.1 Vegetables

#### 1. Tomatoes

Almost at every market we visited as part of the study, tomatoes are brought in to *mandis* for auction sale in shoppers or sacks. This carrying material to *mandis* roughly weighted 9-11 kg. Auction prices for tomatoes for quality ranged from 300 Rs /Shopper. Commission charges @ 5 percent on whole lot that comes out as Rs 8 to 9 on each container bag of tomatoes. The net price for suppliers/growers of tomatoes per shopper is thus Rs 291.

CA's also charge @Rs 10 or more in some cases as overcharges from wholesalers for each shopper bought. The net commission and overcharges by CA's on one shopper/unit of tomatoes pack is therefore,  $8+10=18$  or more in some cases.

Total commission and overcharges earned by CA's after auctioning the lots in market is the total number of traded bags of tomatoes in his shop\*18=CA's profit or earning.

If for example, 500 bags of tomatoes traded with auction price of 300, the CA commission charges or profit is,  $500*300=150000$  @ 5 percent commission charges=  $150000*0.05=7500$  or  $7500/500=Rs 15$  on each bag. This covers one side of the CA's profit from suppliers and similarly they derive Rs. 10 or more of overcharges per each bag of lot bought by the wholesalers. So  $Rs. 7500+5000=12500$  is the minimum profit the CA's gets from auction of 500 bags of tomato. In actual practice, however, different auction prices finalized for different quality tomatoes in which case the net commission charges is calculated by multiplying the gross sale price by 5 percent in case of each suppliers' lots and the net price after deducting the calculated commission price so is given to suppliers. See figures 3 & 14 for details.

Wholesaler's Profit:

As elaborated above, in different markets Rs. 10 or more is derived as overcharges from wholesalers usually in private run markets who opt for the final bid or auction price by commission agents. In above example for tomato auction, the wholesalers actually pay Rs. 10 or more so actual buying price by wholesalers is Rs.310 or more for one bag (9-11 kg) of tomatoes<sup>9</sup>. The price paid for each tomato shopper by wholesaler is thus 310.

<sup>9</sup> The CAs charge Rs.10 or more as overcharge from wholesalers on account of delayed payments by them to CAs while CAs pay cash to suppliers after the auction.

Same lots without being opened for grades and soundness of lots of tomatoes by wholesalers are sold to retailers within the market premises @ Rs.20 per bag as profit on each bag making the price as Rs. 330 per bag at first retailers end.

Gross margin of wholesaler=  $330-310=Rs.20/9-11kg$  bag.

Mark up on the amount received by the suppliers=  $(330 /291)-1= 0.13$  at this prices.

These bags opened by retailers for sorting, grading and even mix graded to make up for the losses for damaged or over-ripe tomatoes and sold to consumers on per kg basis.

- a. At market premises tomatoes sold to consumers @ Rs.50/kg. Rs. 550/11kg of tomatoes bag.

Mark up on the amount received by supplier=  $(550/330 \text{ for mix grades})-1= 0.66$

- b. At low end market it is sold to consumers @ Rs. 60/kg. Rs. 660/11kg of tomatoes bag.

Mark up on the amount received by supplier=  $(660/330)-1= 1.00$

- c. At high end market it is sold to consumers @ Rs. 70/kg. Rs. 770/11kg of tomatoes bag.

Mark up on the amount received by supplier=  $(770/330)-1= 1.33$  When uniformly graded and good quality tomatoes sold at premium prices at high end markets.

**N.B.** Percentage- marketing margin earned by wholesaler to retailer at *mandi* premises is thus calculated by equation as;  $Mm= (Ps * 100)/Sp$ , where Mm=marketing margin, Ps= Price spread within a specific marketing channel for the same price or difference between price paid and received by same agent for same commodity and Sp= Sale price of that commodity within each stage of the marketing channel.

Mm for wholesaler to retail stage =  $330-310 * 100/330= 6.06$  percent at *mandi* premises stage, at first retail stage to consumers=  $550-330 * 100/550= 40$  percent, at low end retail stage=  $660-330 * 100/660= 50$  percent and similarly at high end market it becomes 57 percent.

This also explains why the market margin is spread so widely especially at retail ends till reaching to different segments of the consumers. Moreover, CA's and wholesalers transfer risk of damaged, over ripen and un- graded agriculture produce stocks to retail dealers who make up for the losses incurred so by mixed grading and underweight sales to consumers in most of the country in traditional retail markets. Daily prices for fruits and vegetables subject to change on account of demand & supply mechanisms in markets and all prices leading to retail price change accordingly.

## 2. Onions

Auction price Swat-1 variety= Rs.660/50 kg sack-bag.

Commission charges@6.25 percent= Rs.41.25 per bag.

Overcharges to wholesalers=Rs.10 per bag.

Total charges by CA on one bag (50kg) of onion= Rs.51.25.

Amount received by supplier for one bag of onion= Rs.619

Price at which wholesaler pay for each bag of onion= 670 or more in some cases.

Price at which wholesalers sell onions to first hand retailer at *mandi*= Rs 800

Gross margin by wholesaler=  $800-670=$  Rs130 per 50kg bag.

Mark up by wholesaler on amount received by supplier=  $(800/619)-1=$  0.29

Purchase price of retailer=Rs 800/50 kg bag.

- a. At market premises onions sold to consumers @ Rs.20/kg. Rs. 1000/50kg of bag.

Mark up on the amount received by supplier=  $(1000/619)-1=$  0.615

- b. At low end market it is sold to consumers @ Rs. 25/kg. Rs. 1250/50kg of bag.

Mark up on the amount received by supplier=  $(1250/619)-1=$  1.09

- c. At high end market it is sold to consumers @ Rs. 30/kg. Rs. 1500/50k of bag.

Mark up on the amount received by supplier=  $(1500/619)-1=$  1.42<sup>10</sup>

Mm for wholesaler=  $800-670 * 100/800=$  16.25 percent, for retailer to consumer at market premises=  $1000-800 * 100/1000=$  20 percent, at lo end market=  $1250-800 * 100/1250=$  36 percent and at high end market it is  $1500-800 * 100/ 1500=$  46.67 percent.

### 3. Potatoes

Auction price for potatoes= Rs.1500/120kg of bag.

Commission charges @ 6.25 to 7.00 percent = Rs. 93.75 to 103 per bag.

Overcharges to wholesalers=Rs.10 per bag.

Total commission charges by CA's=  $103+10=$  Rs 94.75 to 113 per bag.

Amount received by supplier =  $1500-93.75$  or  $103=$  1406.25 or 1397. Let's take 1397 for ease.

Price at which wholesaler pay for each bag of potatoes= 1510 or more in some cases.

Price at which wholesalers sell potatoes to first hand retailer at *mandi*= Rs 1550

Gross margin by wholesaler=  $1550-1510=$  Rs 40 per 120 kg bag.

Mark up by wholesaler on amount received by supplier=  $(1550/1397)-1=$  0.29

Purchase price of retailer=Rs 1550/120 kg bag.

- a. At market premises onions sold to consumers @ Rs.20/kg. Rs. 2400/120kg of bag.

Mark up on the amount received by supplier=  $(2400/1397)-1=$  0.717

- b. At low end market it is sold to consumers @ Rs. 25/kg. Rs. 3000/120kg of bag.

Mark up on the amount received by supplier=  $(3000/1397)-1=$  1.14<sup>11</sup>

<sup>10</sup> But in reality the retailers derive high rate of income from mixed grades as not all stocks purchased at one single rate from wholesalers.

<sup>11</sup> Mark up values equal or greater than 1.00 is possible when all produce in bags are sound and sold at rates given in these examples. In practice some produce always gets spoiled which is disposed or sold at lower prices.

- c. At high end market it is sold to consumers @ Rs. 30/kg. Rs.  
3600/120k of bag.

Mark up on the amount received by supplier=  $(3600/1397)-1= 1.57$

Mm for wholesaler=  $1550-1510 * 100/1550= 2.58$  percent, for retailer to consumer at market premises=  $2400-1550 * 100/2400= 35.41$  percent, at low end market=  $3000-1550 * 100/3000= 48.33$  percent and at high end market it is  $3600-1550 * 100/ 3600= 56.94$  percent.

## 8.2 Fruits

### 4. Peaches

Auction price= Rs.350 per crate of about 08 kg.

Commission charges @ 7 percent on each create= Rs.17.5

Overcharges from wholesalers by CA's= Rs.10 per crate.

Total commission charges on each crate of peach thus= Rs. 17.5+10= 27.5

Amount received by supplier =  $350-17.5=$  Rs 332.5.

Price at which wholesaler pay for each crate of Peaches=  $350+10=360$  or more in some cases.

Price at which wholesalers sell potatoes to first hand retailer at *mandi*= Rs 400

Gross margin by wholesaler=  $400-360=$  Rs 40 per 08 kg crate.

Mark up by wholesaler on amount received by supplier=  $(400/332.5)-1= 0.20$

Purchase price of retailer=Rs 400/08 kg crate.

- a. At market premises peaches sold to consumers @ Rs.75/kg. Rs. 600 of  
08 kg crate.

Mark up on the amount received by supplier=  $(600/332.5)-1= 0.800$

- b. At low end market it is sold to consumers @ Rs. 80/kg. Rs.  
640/08kg of crate.

Mark up on the amount received by supplier=  $(640/332.5)-1= 0.92$

- c. At high end market it is sold to consumers @ Rs. 100/kg. Rs.  
800/08k of crate.

Mark up on the amount received by supplier=  $(800/332.5)-1= 1.40$

Mm for wholesaler=  $400-360 * 100/400= 10$  percent, for retailer to consumer at market premises=  $600-400 * 100/600= 33.33$  percent, at low end market=  $640-400 * 100/640= 37.5$  percent and at high end market it is  $800-400 * 100/ 800= 50$  percent.

### 5. Apricot

Auction (VIP Grade Kabuli) price= Rs.800 per crate of about 08 kg.

Commission charges @ 7 percent on each create= Rs. 56

Overcharges from wholesalers by CA's= Rs.10 per crate.

Total commission charges on each crate of apricots thus= Rs. 56+10= 66

Amount received by supplier =  $800 - 56 =$  Rs 744.

Price at which wholesaler pay for each crate of apricots =  $800 + 10 = 810$  or more in some cases.

Price at which wholesalers sell apricots to first hand retailer at *mandi* = Rs 900

Gross margin by wholesaler =  $900 - 810 =$  Rs 90 per 08 kg crate.

Mark up by wholesaler on amount received by supplier =  $(900/744) - 1 = 0.20$

Purchase price of retailer = Rs 900/08 kg crate.

- a. At market premises apricots sold to consumers @ Rs.120/kg. Rs. 960 of 08 kg crate.

Mark up on the amount received by supplier =  $(960/744) - 1 = 0.29$

- b. At low end market it is sold to consumers @ Rs. 140/kg. Rs. 1120/08kg of crate.

Mark up on the amount received by supplier =  $(1120/744) - 1 = 0.5$

- c. At high end market it is sold to consumers @ Rs. 150/kg. Rs. 1200 /08kg of crate.

Mark up on the amount received by supplier =  $(1200/744) - 1 = 0.61$

Mm for wholesaler =  $900 - 810 * 100/900 = 10$  percent, for retailer to consumer at market premises =  $960 - 900 * 100/960 = 6.25$  percent, at low end market =  $1120 - 900 * 100/1120 = 19.64$  percent and at high end market it is  $1200 - 900 * 100/1200 = 25$  percent.

## 6. Mangoes

Auction price = Rs.700 (unripe) per crate of about 10 kg.

Commission charges @ 7 percent on each create = Rs. 49

Overcharges from wholesalers by CA's = Rs.10 per crate.

Total commission charges on each crate of mangoes is thus =  $Rs. 49 + 10 = 59$

Amount received by supplier =  $700 - 49 =$  Rs 651 per 10 kg crate.

Price at which wholesaler pay for each crate of mangoes =  $700 + 10 = 710$  or more in some cases.

Wholesaler's cost of labor and ripening the fruit = Rs.20 per 10 kg crate.

Price at which wholesaler pay for each crate of mangoes after ripening = Rs.730

Price at which wholesalers sell mangoes to first hand retailer at *mandi* = Rs 850

Gross margin by wholesaler =  $850 - 730 =$  Rs 120 per 10 kg crate.

Mark up by wholesaler on amount received by supplier =  $(850/651) - 1 = 0.23$

Purchase price of retailer = Rs 850/10 kg crate.

- a. At market premises mangoes sold to consumers @ Rs.90/kg. Rs. 900 of 10 kg crate.

Mark up on the amount received by supplier =  $(900/651) - 1 = 0.38$

- b. At low end market it is sold to consumers @ Rs. 100/kg. Rs.  
1000/10kg of crate.

Mark up on the amount received by supplier=  $(1000/651)-1= 0.53$

- c. At high end market it is sold to consumers @ Rs. 120/kg. Rs.  
1200/kg of crate

Mark up on the amount received by supplier=  $(1200/651)-1= 0.84$

Marketing margins change more or less according to demand & supply, timing of arrivals of fruits at wholesale and retail markets and main locations of fruit productions it comes from.

Mm for wholesaler=  $850-730 * 100/850= 14.11$  percent, for retailer to consumer at market premises=  $900-850 * 100/900= 5.55$  percent, at low end market=  $1000-850 * 100/1000= 15$  percent and at high end market it is  $1200-850 * 100/ 1200= 29.1$  percent.

## 9. Principal Findings and a Few Suggestions

1. Downstream value chains for fruit and vegetables produced in KPK Province is working to some extent as satisfactory yields with acceptable quality farm production already realized in most irrigated areas. There is a gifted combination of suitable climate with adoption of high value inputs as certified seed and fertilizer applications, meeting crop water needs and pest control by most of the average farmers now make them through to go for commercial crops. Their organization and links to upstream value chains for specific quality to produce and processing requirements are, however, marred and hampered by present market environment which is largely biased towards a few market players who derive rent seeking benefits at the expense of suppliers at large. The ill-effects spillover up and down the chain to affect growers downstream for incomes and market segments upstream for meeting their needs from the markets efficiently.

Recommendation:

Primary role of CA's on behalf of buyers may be to negotiate and make business deals (buy back agreements) with growers/suppliers for meeting purchase demands by bulk buyers and others in terms of quantity and quality specifications. The agents should arrange for commodity supply in given quantity and quality from suppliers /growers through a downstream linkage from the onset for input supply and access to extension services instead of pre-contracting at green crop stage as happens at present. At time of crop maturity, the CA's will offer prices or make bids according to government grade standards for fruits and vegetables.

The bid price and grades at which the wholesalers and suppliers mutually agree for the quantity to sell and buy from both, a deal is done at it and commission at rate earned by agents for the service. This way several type of customers (wholesalers, procurements for specific industry and processing needs and market segments) supply needs may be catered to, by creating an environment for competition and productivity among the agents and wholesalers for seeking increased supplies in response to the broader clients' base. This system may thus serve as a one window place for a variety of activities ranging from ensuring general availability of fruit and vegetables for common users for table purposes to processing and manufacturing needs of industrialists to exporters etc. the system will also help current trends develop entrepreneurial skills and capacities for a more expanded business in terms of scope and growth. A guided transformation of present activities as pre contracting through advances to suppliers and auctioning the produce without any standard base for transaction into a more corporate level undertaking based on mutually agreed terms for the deal is what may be expected to enhance competition and productivity at various levels.

2. The flourishing of new markets for the sale and purchase of fruit and vegetables in KPK province is just the extension of old regime in business. Old CA's either shift to new marketplaces or new shops opened by close family members to keep occupying the business in their favor and monopolistic interests. There is a general trend not to allow new comers to the business in these marketplaces. In other words these cartels having the same mindset will only live by vested interests of self gain and rent seeking behavior which will not forge competition in the business as such.

**Recommendation:**

The Provincial Government should encourage inviting expression of interests and bids for establishment of new markets open for all interested parties and securing their consents as part of the agreement to run the market on new model. Strict implementation of the regulations in force should be ensured and supervised by government for fair play. These new markets may be established as part of public-private partnership endeavors with active roles to play from diverse actors as agents, wholesalers, traders, farmers, exporters, industry and processing segments of the markets as a whole.

3. KPK Government has taken certain initiatives for regulation of agriculture produce marketing operations in tandem with best practices aimed at providing enabling environment for enhancing productivity and competition. The drive seems to be in transition phase for having declared just two out of more than 10 in the Province markets under regulation yet. Partial and inadequate conformity to KPK agriculture and livestock produce Marketing Act 2005 and General Rules observed as part of this study as even in regulated declared markets in Peshawar and DIK , almost traditional marketing practices of pre-colonial era being performed as in privately run markets in KPK Province. The Government also has a plan to develop for improvement of private markets in terms of infrastructure and good practices to be followed by the market players. Government staff for dealing with market dynamics is undermanned and lacks thematic capacity to make it through the perspectives of private sector.

**Recommendation:**

A separate section or department under the umbrella of Provincial agricultural set up may be established take care of activities exclusively devoted to portfolio in agriculture and livestock produce in terms of access to price information, trade and marketing and market centers, regulation, management support to different market segments and processing etc. Staff with specific academic exposure in agribusiness, agricultural economics and management etc, and/or experience to corporate sector, may be given responsibility to be as team members in government side, as well.

Key market players from private and regulated markets in KPK may be taken on board for participatory working on devising workable SOPs for management of agriculture commodity markets and implementation of regulatory framework thereof. Amendments and adjustment if needed may be made in larger public and entrepreneurial community interests including farmer community.

## 10. Annexure

A host of multi-stakeholders contacted as part of the exercise for in depth focused interviews and feedback on parameters of the task. This included members in public office bearers, market functionaries (Commission agents, wholesalers, traders, pre-contractors) and farmers in different regions of the KPK who interact in the present marketing system. A list provided below for reference.

S.No.	Name	Contact number	Address and occupation
1	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]	[REDACTED]

S.No.	Name	Contact number	Address and occupation
13	[REDACTED]	[REDACTED]	[REDACTED]
14	[REDACTED]	[REDACTED]	[REDACTED]
15	[REDACTED]	[REDACTED]	[REDACTED]
16	[REDACTED]	[REDACTED]	[REDACTED]
17	[REDACTED]	[REDACTED]	[REDACTED]
18	[REDACTED]	[REDACTED]	[REDACTED]
19	[REDACTED]	[REDACTED]	[REDACTED]
20	[REDACTED]	[REDACTED]	[REDACTED]
21	[REDACTED]	[REDACTED]	[REDACTED]
22	[REDACTED]	[REDACTED]	[REDACTED]
23	[REDACTED]	[REDACTED]	[REDACTED]
24	[REDACTED]	[REDACTED]	[REDACTED]
25	[REDACTED]	[REDACTED]	[REDACTED]
26	[REDACTED]	[REDACTED]	[REDACTED]
27	[REDACTED]	[REDACTED]	[REDACTED]
28	[REDACTED]	[REDACTED]	[REDACTED]
29	[REDACTED]	[REDACTED]	[REDACTED]

S.No.	Name	Contact number	Address and occupation
30	[REDACTED]	[REDACTED]	[REDACTED]
31	[REDACTED]	[REDACTED]	[REDACTED] mand
32	[REDACTED]	[REDACTED]	[REDACTED]
33	[REDACTED]	[REDACTED]	[REDACTED]
34	[REDACTED]	[REDACTED]	[REDACTED]
35	[REDACTED]	[REDACTED]	[REDACTED]
36	[REDACTED]	[REDACTED]	[REDACTED]
37	[REDACTED]	[REDACTED]	[REDACTED]
38	[REDACTED]	[REDACTED]	[REDACTED]
39	[REDACTED]	[REDACTED]	[REDACTED]





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