

PN-1187-306
ISN 91478

**INSTITUTIONAL AND MERCHANDISING
CONSTRAINTS FOR PAKISTAN'S NON-
TRADITIONAL AGRICULTURAL EXPORTS**

**DRAFT REPORT
SUBMITTED BY
WILLIAM P. SPENCER
AND
K.A. SIDDIQI**

FOR

GOP/EAN PROJECT

*ISLAMABAD
FEBRUARY, 1990*

CONTENTS

EXECUTIVE SUMMARY

1. *Overview of report*
 - 1.1 *Introduction*
 - 1.2 *Methodology and scope of report*
 - 1.3 *Objective of the report*

2. **PRESENT SITUATION OF EXPORT MARKETING SERVICES AND MERCHANDISING**
 - 2.1 *Market mentality*
 - 2.2 *Standards and Grades*
 - 2.3 *Market Information*
 - 2.4 *Marketing practices*
 - 2.5 *Packaging*

3. **GOVERNMENTAL INSTITUTIONS INVOLVED IN AGRICULTURAL EXPORTS**
 - 3.1 *Storage Services*
 - 3.2 *Grading and inspection for export*
 - 3.3 *Export promotion*
 - 3.4 *Public sector transportation*

4. **CONSTRAINTS AND RESTRICTIONS RELATED TO GOVERNMENT SERVICES**
 - 4.1 *Cold storage*
 - 4.2 *Government Grading facilities*
 - 4.3 *Customs*

5. **TRANSPORTATION**
 - 5.1 *Trucking*
 - 5.2 *Rail*
 - 5.3 *Air*
 - 5.4 *Sea*

6. CROSS-BORDER TRADE

6.1 *Constraints*

7. SELECTED PRODUCTS

7.1 *Animal casing*

7.2 *Hides and Skins*

7.3 *Mangos*

7.4 *Kinno*

7.5 *Potatoes*

7.6 *Onion*

7.7 *Garlic*

7.8 *Melons-Musk, Sweet and Water*

7.9 *Chilies*

7.10 *Example situation report - Chilies*

OTHER STUDIES AND DONOR AID PROJECTS

LIST OF PERSONS AND ORGANIZATIONS INTERVIEWED FOR THIS REPORT

REFERENCES

ANNEX I SAMPLE SURVEY QUESTIONNAIRE

ANNEX II

ANNEX III

ACKNOWLEDGEMENTS

The authors would like to express gratitude and sincere thanks to the many individuals who provided valuable background information and data for this report. Among these, special thanks are due to the individual exporters and government officials of Pakistan. With out their expert insights into the critical issues related to export constraints, this report could not have been completed.

Special thanks are also in order for Ms. Amera Khan for editorial help and Mr. Kamran Rafi, Data Processing Specialist, for providing assistance in the use of software and preparing the final manuscript.

ABBREVIATIONS

ADB	Asian Development Bank
AMSL	Agricultural Marketing and Storage Limited
DALPMG	Department of Agricultural and Livestock Products Marketing & Grading
ECC	Economic Committee of the Cabinet
EEC	European Economic Community
FAO	Food and Agriculture Organization
GOP	Government of Pakistan
ICD	Inland Container Depots
ITC	International Trade Center
OECD	Organization of Economic Cooperation and Development
USAID	United States Agency for International Development

EXCHANGE RATE

	US\$	RUPEES
US\$	1.00	21.4

EXECUTIVE SUMMARY

This report was funded through USAID/ISLAMABAD for the Economic Network Analysis (EAN) and The Government of Pakistan (GOP). Its purpose is to identify export impediments and constraints in the areas of Government services, merchandising practices, and physical marketing facilities for non-traditional horticultural and animal products.

The method of information and data collection for this report was the rapid reconnaissance technique. Private exporters and GOP officials in Karachi and Islamabad were interviewed by a team of three during the month of January 1990. Special effort was taken to interview personnel and review studies of the Export Promotion Bureau (EPB) and the International Trade Center (ITC).

The results of the study and interviews indicate that Pakistan has all the necessary basic resources, human and natural, to be a successful exporter of the non-traditional animal and horticultural products. There are however serious constraints that must be overcome before Pakistan can become a major market player for the export of these products. Recent export history shows export performance to be flat or even declining for some specific horticultural crops.

The major constraint that must take first priority to be adjusted is what the team is identifying as "market mentality". Both the GOP and the private exporters and the related agencies generally believe export supplies should come from available surplus crop production. It is the strong belief of the team that little progress in export expansion will take place until Pakistan produces non-traditional products for export, with the necessary supportive GOP policies. The export policies for these products must assure the buyers of Pakistan exports that "quick fix" convenient short-run bans and quotas will not occur. The policy should be that of producing for export and importing if necessary in times of domestic shortfalls. In any case the export of these crops has been erratic.

Timely market information regarding production and quality estimates for the studied crops is needed for both the GOP and the private sector exporters for making contracts and for planning purposes. The GOP needs this information to plan the importation of crops if a shortfall is forecast. The private sector, with good information could make forward contracts and commitments to customers. A series of information and situation reports are needed for this purpose.

Other constraints include:(1.) The need to improve and initiate export grades that are consistent with international standards,(2.) the addition of refrigerated short term storage, grading and packing facilities located at the international airports and nearer to the production points,(3.) the need for consistent air and sea transportation at rates competitive with India and other exporting countries,(4).and the need for a private exporters market association.

This report notes, lists, and refers to an usually large number of reports, projects, and efforts from international donor agencies in the export of non-traditional horticulture crops. Little had been done in the animal product area. Many of the reports are recent 1989 efforts. Most projects included recommendations consistent with the recommendations of this report and most appeared to be of high quality. The most comprehensive report and proposed project was funded by the Asian Development Bank (ADB) in three volumes and should start development activities in 1990.

CONCLUSIONS

Pakistan has all the necessary basic resources to be reasonably successful exporter of non-traditional horticultural crops. There are however, several serious constraints that must be overcome or changed before Pakistan can become a strong factor in the export market of these products.

The most important of the constraints to surmount is the present "market mentality" of the GOP and some of the private trade. Fruit and vegetable exports cannot be based and organized on the concept of exporting casual surpluses. It assumes that the world is out there waiting for Pakistan to generate a surplus in any one given year and the market will buy it. Export policy based on surpluses will fail in the long-run because today the importing countries want consistent supplies of well presented produce of specified qualities. To be successful in export endeavors Pakistan must produce for export with out the possibility of bans or "spur of the moment" quotas. If the domestic market is short of a particular horticultural crop usually the prices will control the market and at some point imports will level out the situation. Production and export market news information is critical for the necessary lead time for planning the importation of crops in times of short crops.

Both Government services and physical export facilities need to be improved to take some of the friction out of the marketing system, but with good planning, Government policies that are based on production for export, the obvious constraints can be overcome.

RECOMMENDATIONS

1. That one central agency be responsible for the gathering and dissemination of market information and news that includes production forecasts for the non-traditional horticultural crops.
2. That a program for holding storage facilities, at the international airports, for fruits and vegetables be provided through exporter associations as a joint venture with the GOP.
3. Workshops be held with programs to make exporters, both private and public sector, aware of the marketing practices that will build long run confidence as a reliable

- exporter of fruits and vegetables.
4. Work with the GOP at the policy making level to stop the policy of export bans and duties on non-traditional agricultural exports.
 5. Adjust the cost of grading of fruits and vegetables to a level that is more in line with other exporting countries. ALMA now charges about 2 percent of the value of the export crop. The crops are of high value and 2 percent is out of line. A set nominal fee is suggested.
 6. PIA needs to become more of an active player in the total export scheme. The reliability of the PIA service for export must be increased during the high export and harvest seasons. Freight rates need to be adjusted to reflect the competition from Indian air shippers.
 7. Pilot or demonstration programs in the field near production centers need to be initiated showing the advantages of pre-cooling, grading and proper packing techniques. A companion extension program is needed to ensure produce is picked at the optimum time for export. The demonstration should include the packing and use of refrigerated containers with oxygen control.
 8. Small exporter credit tied to some technical assistance and training is needed to help with the high risk of a new business in the international export markets of the non-traditional fruits and vegetables.
 9. Market information concerning crop conditions and production information on the non-traditional crops is needed in a timely manner for the exporters and GOP planners.
 10. Technical assistance, training, and some new equipment is needed for the Agricultural Marketing and Grading Department. They should add the necessary lab equipment to start aflatoxin free certification. Many developed nations will not buy without the aflatoxin free certification.
 11. Develop and implement a set of "export" grades for the non-traditional horticultural products following the O.E.C.D. standards.
 12. Develop export grower associations to assist in self-help activities and to set up links with international associations. The international associations work better with associations rather than individuals or governments. An example would be The International News Service of the International Trade Center, Geneva.
 13. Changes in the procurement or buying practices are needed to move the buying closer to the production areas. Procurement and grading centers should be set up by the grower associations in conjunction with the GOP. This has the advantage of cutting trucking costs and controlling and moving the product ready for export or to packing houses in small bulk containers.

1 OVERVIEW OF REPORT

1.1 INTRODUCTION AND CURRENT SITUATION

This report is intended to review the prospects for increasing exports from Pakistan of agricultural products, that have not traditionally been sold abroad. The export impediments caused by inadequate merchandising were evaluated.

The impediments caused by inadequate marketing services supplied by Government, including, market information, grades and standards, for exporters, and have been evaluated. As the Pakistan marketing system has developed a need has developed for more marketing services. The need for such services not only must be available, but must be consistent and trusted by all individuals involved in the export marketing transactions.

There has been little diversification of agricultural exports despite (1) the Government's policy efforts, (2) Pakistan's general comparative advantage in agricultural production and (3) favorable location between Middle East and Asian markets.

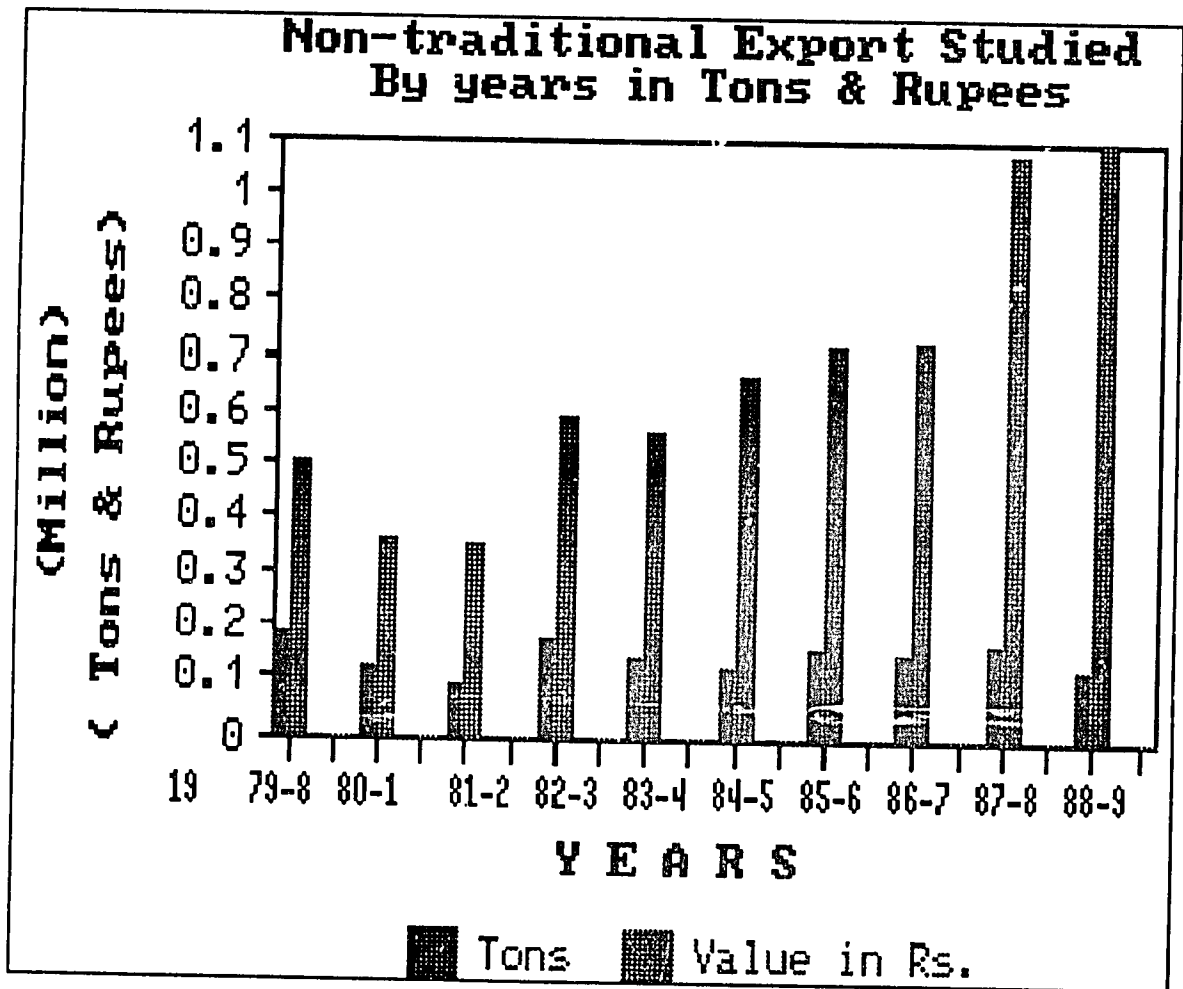
For many reasons, including the prevention of domestic price increases in important commodities, the Government has intervened or placed various restriction on agricultural exports.

Exports and imports have in the past been banned on the basis of sudden gluts or scarcity, giving inadequate lead time to exporters to adjust commitments to customers in other countries.

Despite the lack of infrastructure, government services, and incentives Pakistan's exports of fresh fruits and vegetables amounted to about Rs 387 million in 1989-90. There is considerable room for expansion if the constraints are overcome. (see chart 1.). The general trend has been flat even a decline in some crops.

The private investment climate is very favorable in Pakistan at the present time. USAID, ADB, World Bank, and other donor agencies are endorsing private investment projects that create income and foreign exchange. (see page 23 "Other Studies and Donor Aid Projects") The GOP has been very supportive in endorsing export promotion activities through the Export Promotion Board.

Measured in tonnage terms, the export performance over the last ten years is not promising. The considerable change from year to year is in part due to bans by government and in part due to the poor reputation of Pakistan as a reliable source of consistent good quality produce. The picture appears to be brighter in Rupee terms but in terms of real value after inflation the trend is not encouraging.



1.2 METHODOLOGY AND SCOPE OF REPORT

The approach that the team used to study the specific constraints and problems for the development of non-traditional agricultural products for export followed the rapid reconnaissance method. The approach used informal surveys with only one formal questionnaire.(see Annex I) The surveys gave the respondents maximum latitude in their response. Much of the information used in this report is based upon canvassing the existing agro-industry establishment through the personal interviews with its management.

Special effort was taken to review the relevant studies conducted for the Export Promotion Bureau and by the International Trade Center. The survey information gathered in this report came from the teams interviews in Karachi and Islamabad. Other donor studies and earlier USAID studies were reviewed.

1.3 OBJECTIVE OF THE REPORT

The objective of this report is to identify export impediments caused by inadequate government marketing services, other marketing facilities, and merchandising practices for the non- traditional agricultural commodities. Recommended changes are suggested in improvements in government marketing services, other marketing facilities and merchandising practices necessary for the profitable export of agricultural commodities. The products covered are: animal casings, hides, and skins; potatoes, onions, peas, chilies, mangos, kenno, dates and apricots. Other lesser horticultural crops such as garlic and melons have been identified and added.

2. PRESENT SITUATION OF MARKETING SERVICES AND MERCHANDISING

2.1 MARKET MENTALITY

A large portion of the Government officials and workers interviewed displayed an attitude of using the foreign market for vegetables and fruits as a way of dumping the commodities in times of surplus. This supply side mentality to exports is the largest impediment to the development of viable export markets. Export oriented production is needed. The non-traditional commodities needs to be produced for the specific market requirements.

Both the Government and the private exporters must be in the business for the long-run and not just in times of surplus. Reliability of supply, to the importer is particularly important and the exporter must be thought of as a reliable supplier.

There seems to exist a negative attitude of government towards the market intermediaries who are often considered exploitative. Rather than trying to control the export intermediaries it should be beginning inventive programs to better use the private sector. It will take a change in philosophy and approach by both the private sector and the Government but that change is necessary.

2.2 STANDARDS AND GRADES

The systematic development of a national and international marketing system requires the consistent use of a accurate and intelligible trade language. Importers and exporters as well as producers need to understand particular words, numbers and symbols used to describe an agricultural product when they cannot actually see, smell and touch the product. Export

markets for the non-traditional produce studied are becoming more quality conscious and are being supplied by well organized, highly professional, disciplined suppliers.

Pakistan has little or no grading facilities in the field near production centers. Most countries exporting fresh fruit and vegetables have found it necessary to establish and organize grading facilities in the production areas.

The grading of the produce for export will also help improve the domestic marketing as well. The existing grades are far too broad to be of help in the export of fruit and vegetables. (see table) It is suggested that special export grades be used for the quality needed by the buyers for each crop. The export grades and standards should follow the international standards of the EEC, OECD and USA.

The existing system does not cover many of the non-traditional produce. It would seem that the timing is right to confine new grades for non-traditional produce for export. It is suggested that the establishment of small pilot projects with pilot grading centers in areas of export crop concentration be initiated by grower groups associations with GOP financing.

In the recent 1989 report by Producer Studies Limited they indicated that only a few grading lines, exist in Pakistan, one for citrus and two for onions and a new asparagus packing line in NWFP. There are four other in existence but have been reclaimed by the banks and have not been operational for years.

A constraint in Pakistan standards and grades is its inability to quickly adjust quality standards. The reason for the slow response time seems to be associated with the process of changing and redefining the grades between the Ministry of Commerce and the Ministry of Agriculture. New grades cannot be introduced until Commerce approves.

2.3 MARKET INFORMATION

Market information is the data needed by exporters, wholesalers, producers, and consumers to help them make decisions. Information on prices, quantities available, forecasts of future supply and demand is necessary throughout the marketing system. Relevant, accurate and up-to-date information is particularly important for exporting efficiently.

There are a large number of different agencies involved in the collection and dissemination of market prices and information at the farm, retail and wholesale levels. The majority of the reporting agencies limit the information to the specific commodities of specific interest. The Federal Agricultural Marketing Department and the Punjab agricultural Directorate are the exceptions where they do report on a wide number of commodities. Some of the reporting organizations are as follows:

ORGANIZATION	TYPE OF REPORTING
1. Provincial Revenue Departments	Harvest prices
2. Provincial Marketing Directorates	Market prices
3. Provincial directorate of Supply Market prices and Prices Sind	Weekly average prices
4. Federal Department of Agriculture livestock marketing and grading (ALMA).	Livestock products markets and crop research
5. Federal Bureau of statistics	Weekly average national prices
6. Food Grain Merchant's Association.	Wholesale grain prices
7. Oilseeds Merchant's Group	Daily oilseed prices
8. Karachi Cotton Association	Daily cotton prices
9. All Pakistan Poultry Producer's	Daily poultry prices

Most of the agencies reporting market information do little or no price analysis or forecasting work. The Federal Agricultural Marketing Department normally reviews the prices and market situation on a weekly basis for 21 declared essential food items and a monthly review of some vegetables for the Government and Cabinet. The Punjab agriculture Marketing Directorate also reviews weekly food items for submission to the Provincial government.

There is no one agency or organization that organizes the marketing information for the general industry or exporters of non-traditional crops. Most exporters have developed trade intelligence sources for their analysis and decision making related to the markets they service.

Without exception the exporters in the private trade indicated they needed more production information on the non-traditional crops. One exporter described the situation as making contract commitments "blind". Many indicated that the lack of information on production and the quality of the crop stopped them from forward contracting.

Another problem referred to often by the private exporters was when an export sale of that or other related crops is reported in the news paper then the price could double or more because there was no official figure for comparison. Most of the exporters agreed on this point and several suggested that forward contracts could solve some of the problems of abrupt changes.

2.4 MARKETING PRACTICES

Some of the marketing practices are sub-standard and unethical. For example many crates of vegetables and fruits were packed in crates that included more filling material than was needed so as to end up "short" in the weight of product. Some cases were reported to have the crates almost filled with lower quality fruit and then the best quality on the top layer.

Many parties reported that frequently they hear of complaints about the many disputes between Pakistani exporters and the importers of fresh fruits and vegetables and the disputes drag on without the necessary compromising spirit.

The procurement system for the export crops is not efficient with most of the buying done at the wholesale markets in Karachi then repacked and sorted at the exporter. The quality at the wholesale market level is not sufficient for export quality consequently at times quality is reduced to fill orders. The wholesaler-buyer needs to be back nearer the source of the fresh fruits and vegetables. By being closer to the production they can avoid time delay and have better control over the quality supplied. Transportation costs can be cut by some 30 percent plus by being nearer the production. The closer the buying gets to the grower the better the communication between the buyer and the grower. It is necessary for the buyer and seller to get together and form direct communication.

2.5 PACKAGING

Plastic containers or waxed boxes will be needed for cold storage use once cold storage facilities are used in conjunction with export shipments. Plastic nets for vegetables are widely used internationally, but are not used now because of the high import duty.

Much of the packing crates for export of fresh fruits and vegetables from Pakistan are made of wood and found to be of non-uniform size. Much of the packing material is waste paper cuttings and grass. The packing system does not conform to the normal needs of the importers.

Discussions from the export interviews indicated that it was estimated that between 30 and 50 percent of the fruit was rendered unfit by the time it reaches the market for export. Much of the loss was attributed to faulty packaging which is not made to absorb the stresses and strains that the produce is subjected during transportation to market.

The 30 to 50 percent loss is confirmed in a recent FAO report where it was also reported that most of the loss was due to handling and packing materials.

The packing material needed to improve the cartons made in Pakistan is subject to very high duties and thus are used only by a few manufacturers.

The Pakistani packaging industry is capable of producing packaging materials of international standards, but because of the high duty on the imported material needed and the high end price shippers are using the cheaper sub-standard cartons.

3. GOVERNMENTAL INSTITUTIONS INVOLVED IN NON-TRADITIONAL EXPORTS

There are a number of existing governmental institutions and organizations with an export mission. On the whole, the public sector institutions appear to see their role as one of control. Most private exporters that were interviewed expressed that some form of joint effort between private initiative and the government is required.

3.1 STORAGE SERVICES

THE Pakistan Agricultural Storage and Service Corporation (PASSCO), established in 1973 as a public limited company had the task of stabilizing prices by buying directly from growers. It has concentrated on grains and milling.

The Federal Bank for Cooperatives established the Agricultural Marketing and Storage Limited (AMSL) in 1981 as a private limited company. AMSL action government orders and intervenes in the markets for perishables agricultural commodities, including fruits and vegetables. AMSL owns and operates a citrus waxing and grading plant in Peshawar.

AMSL has been exporting on a pilot bases many of the non-traditional fruit and vegetables to gain the experience needed to become a larger exporter. They have been successful in many areas but have suffered from the same constraints as the private exporters.

3.2 GRADING AND INSPECTION FOR EXPORT

The grading and inspection of Agricultural Commodities for export is done by the Government agency ALMA (Agricultural Livestock, Marketing and Grading Advisors). ALMA is authorized to grade and test the Agricultural Commodities being exported and issues a quality certificate after inspection.

A federal Act entitled "Agricultural Produce Grading and Marketing Act, 1937," empowers the Government to formulate standards of quality for various agricultural commodities.

The evasion of export duty is checked through the grading process of ALMA and may account for some of the avoidance of the grading system.

3.3 EXPORT PROMOTION

Pakistan's Export Promotion Bureau (EPB) has the charter to assist both Government and private exporters in export transactions. The EPB is reliant on yearly grants for the GOP for its operations and activities. It organizes fairs and exhibitions abroad, supports the Pakistan design Institute, export display centers, and gathering marketing information and intelligence.

Some exporters indicated they viewed EPB as an enforcer of export rules and regulations. The EPB does not have funds to promote the non-traditional produce covered in this study and does not have a commodity committee for the non-traditional produce. Most of the promotion activities comes from the commodity committees.

The Trading Corporation of Pakistan (TCP) was established to trade with the socialist countries. The corporation's emphasis has been on barter exchange. Pakistan's private trade has not dealt well with barter trade, and its exporters, individually, are too small to trade with large central organizations of the socialist bloc.

TCP only exports local "surplus". It does not try to develop actively a foreign market, nor does it have the resources. It has had some unsatisfactory experiences in past with fresh agro-products.

The Pak-Saudi Commercial Center in Jeddah was started in 1982 by the EPB to set up trading with Saudi Arabia. Trading in Saudi Arabia is reserved for Saudi nationals unless joined with in a joint venture.

3.4 PUBLIC SECTOR TRANSPORTATION

Pakistan International Airlines is a government owned airline that operates under the Ministry of Defence. PIA now move over 10,300 mt. tons of perishable items per year(1988). which is more than half of the total Pakistan export of perishable items.

The Pakistan rail system is owned and operated by the GOP. Inland container depots (ICD) are just being started by the railroad and is offering a new refrigerated rail container service from Lahore to the docks. To date little use has been made for fresh fruits and vegetables or animal casings because of the irregular delivery schedule and lack of handling and holding facilities.

4. RESTRICTIONS AND CONSTRAINTS CONCERNING GOVERNMENT SERVICES RELATED TO EXPORTS OF NON-TRADITIONAL AGRICULTURAL PRODUCTS.

4.1 COLD STORAGE AND COOLING

The cold storage in Pakistan is almost all ammonia type. There is not, at present any pre-cooling either for domestic or export for fruits and vegetables crops. Government plants are not often used for export produce.

4.2 GOVERNMENT GRADING FACILITIES

To-date there are a few grading stations with modern grading facilities.

The official grading and inspection of Agricultural Commodities is done by the Government agency known as Agricultural Livestock, Marketing and Grading Advisors (ALMA). It is authorized to Grade and test Agricultural commodities for export. ALMA issues quality certificates for export. ALMA needs new equipment to up-grade their laboratory for export grades and saltation. They cannot test for aflatoxin and other necessary sanitation tests for export to most developed markets.

4.3 CUSTOMS

The majority of exporters interviewed registered high dissatisfaction with the performance of the port custom officials. The complaints ranged from the new hours to the necessity to give payments of individuals to get the necessary clearances.

Exporters indicated that recent changes in the hours of 8 :00 am to 5:00 pm had caused losses from delays in shipments and from heat damage. In the past ships were loaded in the cool evening and night hours which saved time and prevented exposure to the hot daylight hours.

5. TRANSPORTATION FOR EXPORT

5.1 TRUCKING

All fresh produce for export is transported in ambient temperatures by truck, The trucks vary in capacity from small open trucks to large multi-axle fifteen ton plus trucks. Vehicles appear to be well overloaded . Much of the produce is damaged by the truck shipments because of the improper packing and the rough roads. Most of the loads are in bulk and receive heavy damage from the weight. The trip to the export packing points usually takes two to three days with the overloaded vehicles.

There is a need for a Pakistan company to develop refrigerated truck units suitable for the Pakistan road conditions.

5.2 RAIL

Refrigeration containers have been built and used to transport frozen fish from the sea ports to the interior, but to-date none are in use for fresh produce from production areas to export points.

5.3 AIR

Pakistan has three international airports, but none have facilities for holding or packing fresh produce. The produce usually sits out side for various lengths of time in metal containers. The mango season is during the rainy season and often shipments are ruined from the rains.

Karachi, Islamabad and Lahore are international airports from where it is possible to export fresh produce. In 1988 the Federal Government permitted foreign charters to be used as and when required to export fresh produce. Pakistan International Airlines indicated that they keep the cargo rates for fresh produce lower than other rates for air shipment in order to encourage exports.

Private exporters and The Agricultural Marketing and Services Limited have expressed dissatisfaction about PIA's rates and the arrangements for export of the non-traditional fruits and vegetables. More than just lower competitive rates they complained of uncertainty of departure dates and the irregularity of departures. One example of a five ton shipment of fresh mangos was given where because of a late departure (12 hours) the produce was sitting out uncovered in the sun and then in the rain so that the shipment was unfit to send into export.

PIA has indicated it has been offering a capacity of 950 tons per week from Pakistan for export of fresh fruits and vegetables. Approximately 70 percent is for Pakistan and the other 30 percent is for transit freight.

Private Exporters have also indicated that they face unfair competition from India. The claim is that India has lower subsidized rates. The rates are about the same level but India gives the exporters a rebate of about 28 percent of the ordinal rate.

Pakistani Exporters use space on several air lines, but mostly PIA and Saudi Airlines. Availability of cargo space is strictly allocated to the exporters by volume sent during the slack periods. This causes exporters to use air freight for less expensive commodities with the only purpose of protecting booking rights for the peak mango and melon seasons. Air cargo freighters from Karachi are not available on any regular timetable.

**1989 PIA AIR FREIGHT RATES
FOR FRESH FRUIT AND VEGETABLES FOR EXPORT**

DESTINATION	WEIGHT BREAK	FRESH FRUITS AND VEGETABLES		MANGO R/kg	US\$/kg R/kg
		R/kg	US\$/kg		
DUBAI	500	5.55	0.26	6.15	0.29
	750	5.10	0.24	5.55	0.26
KUWAIT	500	9.70	0.46	9.10	0.43
	750				
DHARAN	500	9.15	0.44	10.35	0.49
	1,000	8.55	0.41	7.30	0.35
	1,200	7.30	0.35		
JEDDAH	1,000	9.35	0.45	10.35	0.49
	1,200	8.35	0.40		
RIYADH	500	9.15	0.44	10.30	0.49
	750	8.05	0.38		
	1,000	8.55	0.41	7.30	0.35
SINGAPORE	500				
	1,000	8.50	0.40		
	1,500	6.50	0.31		
K. L	500				
	1,000	8.50	0.40		
	1,500	6.20	0.30		
Ldn/Paris/ Frankfurt/ Copenhagen	500	17.75	0.85	18.80	0.90
	1,000	15.35	0.73	16.00	0.76

5.4 SHIPPING

Karachi is the only seaport handling fresh produce. Very few docks have electrical service for the refrigerated containers and only one shipping line has good, well maintained equipment. There is no roll on roll off facilities.

Most major shipping lines using Karachi docks could offer refrigerated container facilities to ship fresh produce to the Far East and Europe, but are seldom used because of high

rates and the priority given to the fish industries high volume. The horticultural exporters identified shipping links, particularly to the Gulf countries, as one of their major constraints. The produce for the Gulf is shipped on open, Arab owned launches. Rates can vary from 30 to 70 dollars per ton for the trip.

Produce can be shipped in the Pakistan Shipping Corporation's 2,000 ton refrigerated boat. Exporters reported that sailing are infrequent and the journey time is too long for fresh produce. The exporters would like smaller boats that sailed daily to the Gulf. The faster smaller boats need only to have good fan driven ambient air for the 3 day trip.

6. CROSS-BORDER TRADE BETWEEN AFGHANISTAN AND PAKISTAN

The exports from Pakistan to Afghanistan have been significant for over a long history, but has been severely complicated by the events surrounding the recent war. However, the trade continues, even with high transport costs and risk.

The marketing system has been characterized by close, long-term relationships based upon personal relationships of traders in Afghanistan and Pakistan, often times with relatives and long term business partners.

6.1 CONSTRAINTS OF CROSS-BORDER TRADE

The study by Nathan Associates, Inc. and Louis Berger International, Inc. indicates that estimates of official trade is only 13.1 million U.S. Dollars but the unofficial estimates are eight times that. The report used a truck count at border crossing to get an estimate of 127,987,000 Rupee figure of 1987-88 for fresh and dried fruits going to Afghanistan from Pakistan.

The marketing system hub is in Peshawar. The large scale exporters buy in Peshawar or Quetta from purchasing wholesalers. The exporters have agents who buy from the farms in bulk. Much of the fruits and vegetables are purchased from auctions.

The major constraints on this cross-border market are: 1. The transportation system that has been affected by the war. 2. Afghanistan's limited buying power. 3. high freight rates because of risk and lack of insurance. 4. Export bans. and 5. lack of credit system.

7. SELECTED SPECIFIC PRODUCTS

7.1 ANIMAL CASINGS

Pakistan exports of animal casings for sausage has been at the 450 ton level over the past few years. Rupee level has been near 22 million.

Pakistan has good to fair quality casings when shipped in the cool season with enough rock salt. The importers are demanding higher quality and have switched away from Pakistan to China, Turkey, Iran and Australia. Japan was a good market but has switched to Australia because of health concerns.

Constraints: 1) Not sterilizing the casings so that they can be shipped direct to the U.S. markets and other markets of developed countries. The Pakistani casing are now being transhipped from Europe after sterilization then to the U. S. sausage makers. 2) Internal transportation in the summer months causes losses to the casings because of the lack of refrigerated trucks and rail cars. 3) Financing has been problem since the GOP has raised the interest rates for low cost loans for exporting. 4) Export duty and licensing for export is also a problem. 5) Lack of organization of pickup of casing from butchers causes a loss of 30 or 40 percent of available casings. This is particularly true during high holiday slaughter.

7.2 HIDES AND SKINS

Pakistan produces 5.6 million pieces of hides of which 2.2 million are cattle hides and 3.4 million buffalo hides. Cattle hides largely fall in light weight, fine grained category ideally go for the better quality leather. Buffalo hides fall in lighter category and go in the mechanical leather.

The development of leather tanning and manufacturing industry in Pakistan and the export of leather (Rs 500 million in 1987-88) and the value added (Rs 400 million in 1987-88) for the leather processing have lead to a ban on exports of hides. Pakistan is also importing hides for the manufacture of leather worth Rs 122 million in 1987-88 and leather worth Rs 50 million during the same period.

7.3 APRICOTS

Pakistan apricots are of good quality and have good potential for an export crop. The production is on the increase but too little statistics are available of get recent trends in production and exports. The following chart shows the exports for 1986 ,1987 and 1988. The list is not believed to be complete.

PAKISTAN EXPORTS BY IMPORTING COUNTRY (TONS)

	1983/4	1984/5	1985/6	1986/7	1987/88	1988/9
SWEDEN	n.a.	n.a.	-	29.00	-	-
FINLAND	n.a.	n.a.	-	-	33.00	-
WEST GERMANY	n.a.	n.a.	-	-	48.00	20.00
NETHERLANDS	n.a.	n.a.	-	7.00	-	13.00
U.S.A.	n.a.	n.a.	-	-	158.00	48.00
U.K.	n.a.	n.a.	-	-	50.00	17.00
OTHERS	n.a.	n.a.	3.00	4.00	32.00	58.00
TOTAL	n.a.	n.a.	3.00	40.00	321.00	156.00

Mango production is concentrated in Sind and Southern Punjab. The present production is near 720,000 tons and exports for 1988-89 was 10,685 tons with an export value of 69 million Rupees.

Most of the mangos for export are purchased on the tree by contractors with some of the exporters starting packing operations in the field using hand sorting. Most of the exported go to Karachi by bulk unrefrigerated truck and are then sorted and packed for export.

The constraints for mangos for export are: 1. The lack of post harvest systems, including pre-cooling, field packing sheds with grading facilities. 2. The lack of refrigerated sea containers for Middle East shipment. 3. The lack of holding storage at the international air ports 4. The lack of technology transfer in packing techniques and proper packing containers.

PAKISTAN
MANGO EXPORTS BY IMPORTING COUNTRY (TONS)

MANGO	1983/4	1984/5	1985/6	1986/7	1987/88	1988/9
AFGHANISTAN	n.a.	n.a.	n.a.	104	599	147
BAHRAIN	384	201	285	194	80	115
DUBAI	4,965	3,505	4,499	6,419	7,346	7,396
KUWAIT	322	233	203	294	298	232
S. ARABIA	2,960	2,062	1,988	2,187	1,388	1,326
U.K.	601	297	426	776	840	1,049
OTHERS	633	412	308	314	452	409
TOTAL	9,865	6,710	7,709	10,288	11,003	10,684

7.4 KINNO Total production of Kinno for Pakistan for 1987-89 was 1.4 million tons with 19,689 tons going for exports valued at 45,670,000 Rupees.

The production concentration is in the Punjab. The purchase of the crop is traditionally based on contractors purchasing the crop in the field and sorting export quality in the Karachi wholesale markets.

Five citrus packing houses are located in Pakistan with only one operational. Traditionally the kinno is packed in wooden crates that are overfilled and suffer damage going to the markets.

PAKISTAN
EXPORTS BY IMPORTING COUNTRY (TONS)

KINNO	1983/4	1984/5	1985/6	1986/7	1987/88	1988/9
AFGHANISTAN	n.a.	4,024	3,044	3,243	2,616	477
BAHRAIN	n.a.	1,733	2,610	318	307	251
DUBAI	27,095	24,944	22,043	24,044	16,019	23,060
KUWAIT	n.a.	n.a.	37	21	144	n.a.
S. ARABIA	3,582	1,182	657	266	112	n.a.
SINGAPORE	107	219	137	234	358	437
OTHERS	6,188	526	789	251	133	650
=====						
TOTAL	36,972	32,628	29,317	28,377	19,689	24,875
=====						

7.5 POTATOES

The leading Potato growing areas are Okara and Sahiwal in Punjab. During 1987-88 the national production was _____.

POTATO (Red)	PAKISTAN EXPORTS BY IMPORTING COUNTRY (TONS)					
	1983/4	1984/5	1985/6	1986/7	1987/88	1988/9
AFGHANISTAN	-	-	-	-	-	216
BAHRAIN	313	123	28	20	-	47
DUBAI	2,330	2,537	1,156	2,399	20	718
KUWAIT	36	-	45	-	-	-
SINGAPORE	n.a.	n.a.	75	-	-	-
SULTANATE OF OMAN	n.a.	n.a.	-	60	-	-
OTHERS	786	-	-	-	-	14
TOTAL	3,465	2,660	1,304	2,479	20	995

7.6 ONION

Onion production is widespread throughout Pakistan with virtual year around supply. Total production was in 1988-89 of 630,000 of which 27059 tons were exported with a Rupee value of 59827. At the present exports are purchased through wholesale markets and shipped through Karachi.

The main constraints are: 1.Export bans, quotas, and lack of grading facilities.

ONION PAKISTAN EXPORTS BY IMPORTING COUNTRY (TONS)

ONION	1983/4	1984/5	1985/6	1986/7	1987/88	1988/9
BAHRAIN	1,332	258	1,698	1,243	1,764	857
DUBAI	31,325	16,263	46,056	40,276	44,907	20,627
S. ARABIA	5,307	1,131	1,074	839	2,685	100
SINGAPORE	-	-	1,092	449	1,891	1,184
SRI LANKA	6,345	7,053	15,484	5,750	10,729	1,000
MALAYSIA	-	-	283	100	350	250
OTHERS	679	419	567	284	829	41
TOTAL	44,988	25,124	66,254	48,941	63,155	27,059

7.7

GARLIC

PAKISTAN
GARLIC EXPORTS BY IMPORTING COUNTRY (TONS)

	1983/4	1984/5	1985/6	1986/7	1987/88	1988/9
BANGLADESH	n.a.	n.a.	-	124.00	51.00	-
DUBAI	n.a.	n.a.	312.00	-	2.00	323.00
S. ARABIA	n.a.	n.a.	105.00	61.00	1.00	3.00
SRI LANKA	n.a.	n.a.	263.00	407.00	606.00	718.00
OTHERS	n.a.	n.a.	11.00	9.00	-	-
=====						
TOTAL	n.a.	n.a.	691.00	601.00	659.00	1,044
=====						

7.9

MELONS-MUSK, SWEET AND WATER

PAKISTAN
MUSK MELON EXPORTS BY IMPORTING COUNTRY (TONS)
(KHARBOOZA)

	1983/4	1984/5	1985/6	1986/7	1987/88	1988/9
U.K.	n.a.	n.a.	-	-	2.00	27.00
DUBAI	n.a.	n.a.	-	93.00	46.00	12.00
SINGAPORE	n.a.	n.a.	-	-	23.00	47.00
OTHERS	n.a.	n.a.	6.00	11.00	15.00	9.00
=====						
TOTAL	n.a.	n.a.	6.00	104.00	84.00	95

(TONS)
(SARDA)

SWEET MELON EXPORTS BY IMPORTING COUNTRY

	1983/4	1984/5	1985/6	1986/7	1987/8	1988/9
DUBAI	n.a.	n.a.	67.00	536.00	1,560	3,834
KUWAIT	n.a.	n.a.	15.00	20.00	-	1
S. ARABIA	n.a.	n.a.	188.00	16.00	17	0
U.K.	n.a.	n.a.	36.00	26.00	-	170
OTHERS	n.a.	n.a.	27.00	26.00	52	169
=====						
TOTAL	n.a.	n.a.	333.00	624.00	1,629	4,174
=====						

WATER MELON
(TARBOOZ)

	1983/4	1984/5	1985/6	1986/7	1987/88	1988/9
AFGHANISTAN	n.a.	n.a.	1,297	1,532	2,227	439
BAHRAIN	n.a.	n.a.	414	-	32	29
DUBAI	n.a.	n.a.	376	91	6	137
OTHERS	n.a.	n.a.	62	11	15	92
=====						
TOTAL	n.a.	n.a.	2,149	1,634	2,280	624
=====						

7.9 CHILLIES

Most of the chillies are produced in Sind province , about 65 percent of the total Pakistani production. Punjab produces most of the remaining chillies.

The main constraints are: 1) The bans and quotas. 2) No aflatoxin testing lab in Pakistan consequently Pakistan can not export to countries such a Japan and West Germany. 3) No market news on production and quality or regular situation reports.

Chillies are a good example of the high visibility some of the lesser crops get when they are in short supply. During 1988-89 crop year chillies were banned from export. The Economic Analysis Network (EAN) project of the Ministry of Food, Agriculture and Cooperatives (MFAC) completed an analysis of the chilli situation. Part of that analysis follows as an example of the type of information that needs to be available for government planning and decision making.

7.10 EXAMPLE OF SITUATION REPORT—CHILLIES

Chili Situation: Chili production during 1988/89 has dropped by roughly 20% to 67.9 thousand tons compared to 84.3 thousand tons during 1987/88. On a production per capita basis the decline is 22% from .81 Kg. per person in 1987/88 to .63 Kg. per person in 1988/89. The production decline was caused by a condition called "damping off." The disease is seed and soil born and is associated with the particularly wet weather before fruiting during 1988/89. As the production short fall has become apparent chili prices have more than doubled from Rps 19.68 per Kg during 1987/88 to around Rps 50 per Kg during February and March 1989.

Nature of the Chili Market: Chili prices are unusually explosive because they are a relatively small part of food and total household expenditures. The most recent Household Income and Expenditure Survey, 1984-85 indicates that .9% of food expenditures are for chillies or only .4% of total income. Low income households spend 1.25% of their total food expenditures on chillies or .7% of total income. Since chillies are such a small portion of the food budget prices can fluctuate widely without having a large impact on total expenditures. Further, consumers re willing to spend added amounts on chillies since there are few substitutes. There are several examples of the explosive nature of chilli prices. During 1974/75 chilli prices more than doubled, from Rps. 4.16 per Kg in 1973/74 to Rps. 11.09 per Kg in 1974/75. This was caused, in large part, by a 15% decline in chilli production from .86 Kg in 1973/74 to .74 Kg in 1974/75.

Alternatives For Lowering the Chilli Price: The least costly alternative is to let the market run its course. The current high prices have already limited consumption to the levels of availability and further price increases are unlikely. Threatened imports by GOP and an investigation of the market would cause wholesalers and merchants to be reluctant to press

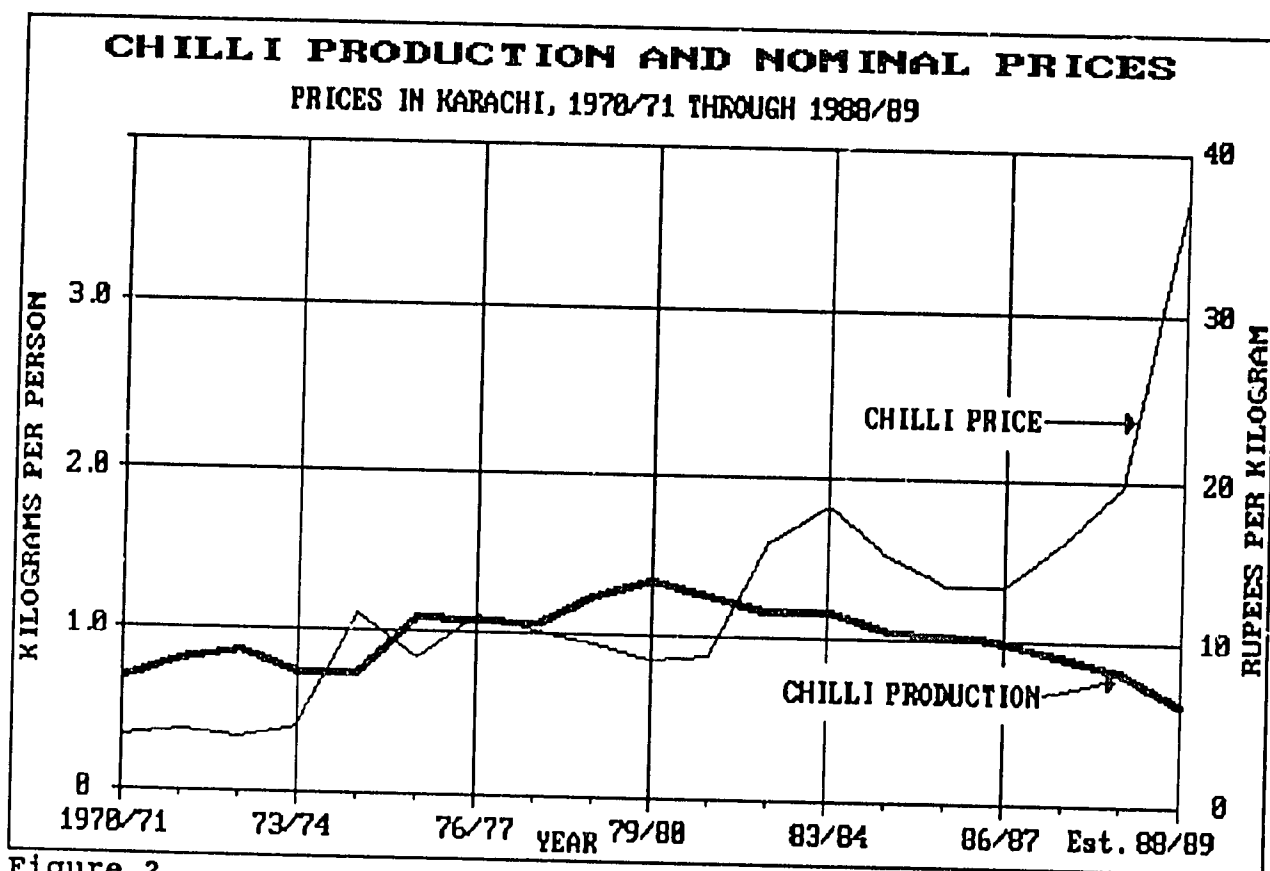


Figure 2

prices higher. In addition some parts of the summer crop may become available as early as August. A more costly alternative would be to import from 1 to 2 thousand tons which would likely break the market's current high prices. This could cost around US\$5.0 million. This could probably be funded through the US AID Commodity Import Program under the Agriculture Sector Support Program. As noted in Annexure-I total availability of chillies (production mi.us exports) has declined this year by around 7 thousand tones--from 70.2 thousand tones in 1987/88 to 63.1 thousand tones in 1988/89. However, imports would likely not arrive before April when half of the market year will have past. Prices have risen limiting consumption so the total deficit in relation to 1987/88 would be near 3 thousand tons. Importing the full deficit would cause prices to drop drastically. A sharp break in prices would probably not be desirable since producers would be discouraged from expanding acreage and production for the 1989/90 season. In addition producers that had already committed expanded acreage and other farm input resources would feel cheated. At this point the ECC has already directed TCP to explore import possibilities vide its decision in case NO.CEC-23/4/89.

Deflated Chilli Prices and Production: As shown by Figure 2 chilli production has been declining since 1979/80. In addition deflated chilli prices (Chilli prices divided by the General Consumer Price Index) has generally declined since 1974/75. This appears to be due to a decline in demand for chillies as incomes rise. Also, food consumption patterns are shifting with increased consumption of vegetables, fruits and meat and poultry. While

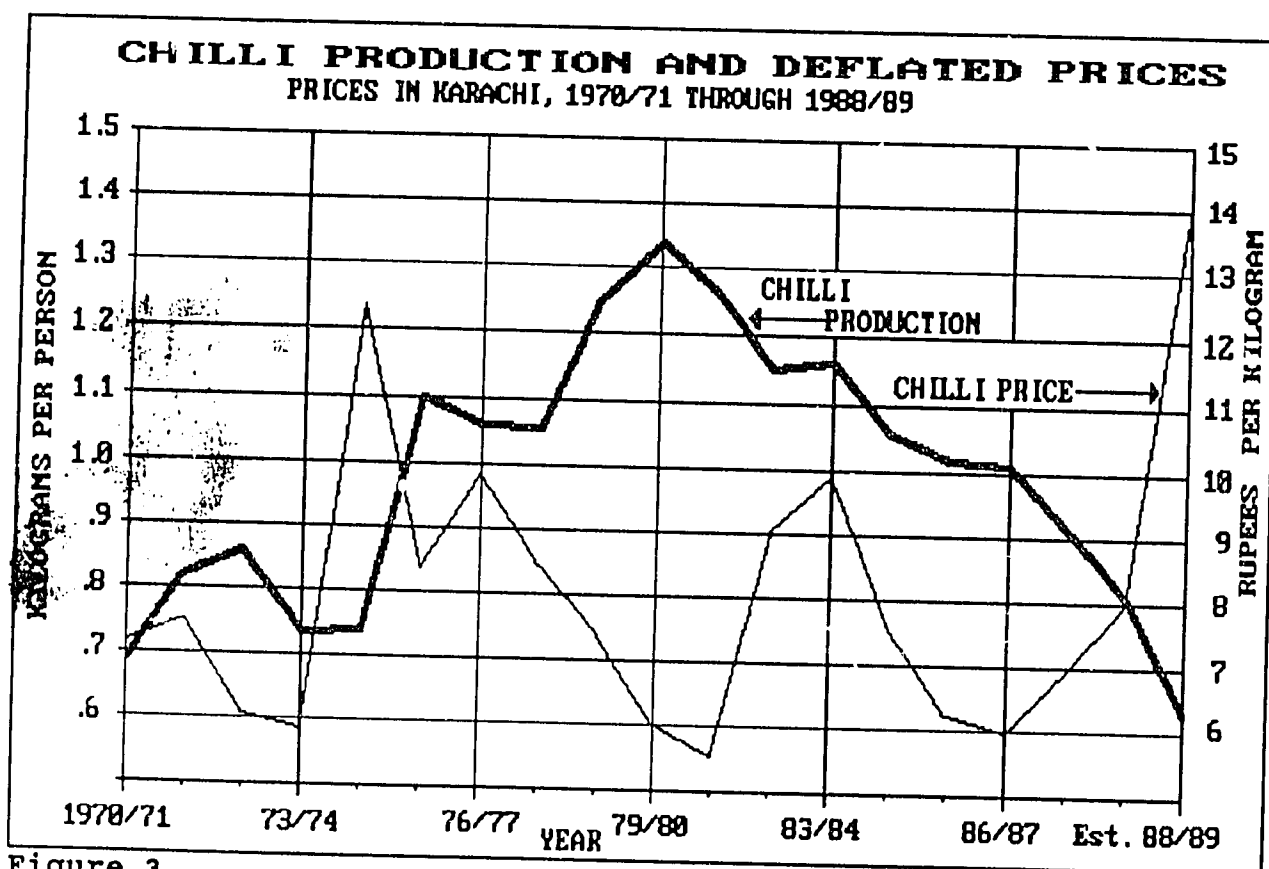


Figure 3

the per capita consumption of pulses and food grains appear to be declining. The declining demand for chillies is further confirmed by successive reports of the Federal Bureau of Statistics' Household Income and Expenditure Survey. In 1979 the survey reported a per capita consumption of chillies of 1.3 per annum and in the 1984/85 survey the per capita consumption of chillies was .96 per annum.

Location of Chilli Production: Production of chillies is concentrated in the province of Sind. Over 65 percent of the crop is produced in this province, 27 percent in the Punjab and 6 percent in the other two provinces. In the Sind two crops are produced; one is harvested during the October-January period and the other in the September-October. Approximately 40% of the Sind production occurs during October-January harvest period and 60% during the September-October harvest period. In the other three provinces chillies are produced in the summer season and picked in September-December. In the Sind province, Tharparke district is the main chilli producing area where the total provincial production (over 60 percent) is concentrated. The next important district is Hyderabad where 18 percent of the crop is produced. Thus these two districts alone are

responsible for producing around 80 percent of the total provincial production. In the Punjab production is very disperse and no single district produces more than 5000 tones of chillies.

CHILLI PRODUCTION AND EXPORT, 1970/71 TO 1988/89

CHILLI:

YEAR	POPULATION ---Million-	NET AVAIL- PRODUCTION EXPORTS ABILITY		
		------(000 Tones)-----		
1970.71	61.49	42.2	5.9	36.3
1971.72	63.84	52.3	5.5	46.8
1972.73	65.89	56.8	4.9	51.9
1973.74	67.90	50.3	3.4	46.9
1974.75	69.98	51.8	0.4	51.4
1975.76	72.12	79.3	10.1	69.2
1976.77	74.33	79.1	4.2	74.9
1977.78	76.60	81.2	8.6	72.6
1978.79	78.94	98.4	21.3	77.1
1979.80	81.36	109.0	13.8	95.2
1980.81	83.84	106.2	6.1	100.1
1981.82	86.44	99.8	2.8	97.0
1982.83	89.12	103.8	3.8	100.0
1983.84	91.88	96.9	6.6	90.3
1984.85	94.73	96.4	11.2	85.2
1985.86	97.67	98.8	9.5	89.3
1986.87	100.70	92.4	5.8	86.6
1987.88	103.82	84.3	14.1	70.2
(est)1988.89	107.00	67.9	4.8	63.1
Period	Average Annual % Change			
70/71-88/89	3.1%	2.7%	-1.1%	3.1%
84/85-88/89	3.1%	-8.4%	-19.1%	-7.2%
87/88-88/89	3.1%	-19.5%	-66.0%	-10.1%

OTHER STUDIES AND DONOR AID PROJECTS

1. The Lahore CHAMBER OF Commerce, USAID, and "The Industry Council for Development in New York, is hosting the Pakistan Horticulture Investment Forum". This is for the purpose of developing joint ventures with the Pakistan business community and large companies involved in horticultural sector worldwide. The forum was held in February 1990.
2. The Asian Development Bank (ADB) has just completed a draft of their final report "Pakistan: Fruit and Vegetable Export Marketing Study" The consultants Produce Studies Limited of the U.K. have three volumes of up to date detail on the potential of increasing exports of fresh fruits and vegetables from Pakistan and advise on the action required to exploit the opportunities identified in the report, particularly by the private sector.

3. The Export Promotion Bureau, with E.C.C. support has carried out a post-harvest technology training program for the fresh produce industry. A series of short courses were held in several locations in 1989. Trial shipments to the Middle East are to follow as another activity.
4. The Food and Agriculture Division of the Government of Pakistan has just finished a draft report "Study of Trade, Price and Institutional Policies Needed for Procurement, Processing, Marketing and Export of Perishable Commodities. November of 1989. with Esesjay Consult(private) Limited. The study examines the causes of instability in the supply of perishable commodities and assesses the present procurement policy to stabilize exports and domestic prices.
5. The Pakistan German Business Cooperation Project, has investigated the subject of horticultural exports and written a report which is not yet available to the public.
6. The Aga Khan rural Development Project in Northern Pakistan includes fresh products(apricots, apples and plums).
7. The Australian High Commission is funding activities related to mango export marketing.
8. The Government of Pakistan, USAID, and RONCO Consulting Corporation, and Agri-Bi-Coa International(private) Limited are carrying out a study "Analysis of Corporate Sector Constraints in Agriculture" which is an assessment of the existing national agribusiness Environment. Draft completed September 1989.
9. The Government of Pakistan, Ministry of Commerce completed a study entitled "Trade Policy 1987-1989 Volume II Export Policy"
A study of export policy.
10. The Industry Council for Development published a proceedings of the workshop in two volumes entitled "Report on the Workshop and Action plan for Development and Expansion of Horticulture in Pakistan. May 1986.
11. The Government of Pakistan, Ministry of Planning and Development, Planning and Development Division, The World Bank, and Investment Advisory Center of Pakistan, and United Consultants Limited completed a 24 volume study on Industrial Efficiency Improvement and Development Strategy Study. The study includes export policy.
12. The Government of Pakistan, Planning and Development Division and United consulting Group Limited completed a study in January 1986, entitled " Integrated Development of Horticulture of North West Frontier Province for Export". It describes the constraints and makes recommendations for improvement of the export marketing system for horticultural crops.

13. USAID Office of the A.I.D. Representative for Afghan Affairs and Robert R. Nathan Associates, Inc., and Louis Berger, Inc. produced a report entitled "Profile of Private Sector Cross-Border Trade Between Afghanistan and Pakistan. This report is a study of cross-border trade between Afghanistan and Pakistan.

LIST OF PERSONS AND ORGANIZATIONS INTERVIEWED FOR THIS REPORT

1. Saifullah Khan Khattak, Agricultural and Livestock marketing Adviser Agricultural Marketing and Grading Department, Government of Pakistan, Karachi
2. Rashid Aziz, economist The World Bank, Islamabad
3. Inam-ul Haq, Managing Director, Agricultural Marketing and Storage Limited, Islamabad
4. Saeed-ul Hassan, Managing Director, United Consultants (private) Ltd, Lahore
5. M.Y. Bhutta, Director General, Export Promotion Bureau, Government of Pakistan, Karachi
6. Mohammad Yusuf A. Rehman, Vice President, Chamber of Commerce and Industry, Karachi
7. R.A. Jafri, Managing Director, Pakistan Packaging Institute, Karachi
8. Mohammad Saeed Mohammad Hussain, Manager, Habibullah, Karachi
9. Humayun Saddique, Managing Director, Decent Packages (private) Limited, Karachi
10. Tariq Nazir, Managing Partner, Corcarton Industries (private) Karachi
11. Mohammed Nasim Shaikh, Managing Partner, Rafique and Ahsan, Karachi
12. Muhammad Iqbal, General Manager, Agricultural Marketing and Storage Ltd., The Government of Pakistan, Islamabad
13. Padgram Dhirani, Export Executive, R. R Corporation, Karachi
14. Agha Fuad Sami, Deputy Agricultural Marketing Adviser, Department of Agricultural Marketing and Grading, Government of Pakistan, Karachi
15. Itrat Rasool Malhi, Deputy Agricultural Marketing Adviser, Agricultural and Livestock Products Marketing and Grading Department, The Government of Pakistan, Karachi

16. Robin Tilsworth-Rude, Agricultural Attache, United States Department of Agriculture, Islamabad
17. A.H. Maan, Economic Consultant, Ministry of Food, Agriculture and Cooperatives, The Government of Pakistan, Islamabad
18. Philip E. Church, Agriculture Development officer, USAID/Afghanistan, Islamabad
19. Ahsan Tayyab, Agribusiness Specialist, USAID, Islamabad
20. Leon F. Hesser, Agricultural Economist, Ronco Consulting Corporation, Islamabad
21. Mohammad Sadiq Khan, Director, Export Promotion Bureau, Government of Pakistan, Karachi.
22. Muslim Pervaiz, Javed Traders, Karachi

ANNEX I

E.A.N. PROJECT QUESTIONNAIRE

GENERAL QUESTIONNAIRE ON NON-TRADITIONAL AGRICULTURAL PRODUCTS FOR EXPORT.

DATE: _____
NAME: _____

COMPANY: _____

LOCATION: _____

TYPE OF BUSINESS _____

QUESTIONS:

1. Do you export agricultural products? yes ___ no ___

What is your largest problem in exporting agricultural products?

What government services do you use?

Grades and standards?

Market information?

4. What additional services are needed on changes in present services to facilitate your export business?

5. What agricultural products, other than what you are now shipping have good export potential?

6. What export regulations, if any, have caused trouble in exporting your agricultural products? What changes are needed?_

COMPARATIVE STANDARDS OF QUALITYAPRICOT

	UN/ECE STANDARDS	PAKISTAN STANDARDS												
1. Minimum Requirements	Subject to special provisions and tolerances allowed in each class the fruit should be carefully picked, development of fruit of stage to stand transport and handling upto destination, intact, sound, clean, free from external moisture, and foreign smell or taste.	No National Standards have been laid down.												
2. Grade & Specifications	<table border="1"> <thead> <tr> <th>Grade</th> <th>Quality</th> <th>Tolerance</th> </tr> </thead> <tbody> <tr> <td>1.Extra Class</td> <td>Superior Quality, typical of variety. Minimum size 35mm.</td> <td>No defects allowed, 5 percent tolerance by weight or numbers if meeting requirements of Class I size deviation upto 5mm.</td> </tr> <tr> <td>2.Class I</td> <td>Good quality, typical of variety, flesh must be perfectly sound. Minimum size 30mm.</td> <td>Slight defects in shape or development, colouring, or slight signs of rubbing as buring, affecting total area of not more than 0.5 sq.cm. Tolerance in quality of not more than 10 percent by weight or number but meeting requirements of Class II. Size deviation upto 10mm in 10 percent by number or weight.</td> </tr> <tr> <td>3.Class II</td> <td>Fruits satisfying 'minimum requirement' Minimum size 30mm.</td> <td>10 percent by number or weight but excluding visible rot, pronounced bruising or unhealed cracks. Size deviation: upto 10mm in 10 percent by number or weight.</td> </tr> </tbody> </table>	Grade	Quality	Tolerance	1.Extra Class	Superior Quality, typical of variety. Minimum size 35mm.	No defects allowed, 5 percent tolerance by weight or numbers if meeting requirements of Class I size deviation upto 5mm.	2.Class I	Good quality, typical of variety, flesh must be perfectly sound. Minimum size 30mm.	Slight defects in shape or development, colouring, or slight signs of rubbing as buring, affecting total area of not more than 0.5 sq.cm. Tolerance in quality of not more than 10 percent by weight or number but meeting requirements of Class II. Size deviation upto 10mm in 10 percent by number or weight.	3.Class II	Fruits satisfying 'minimum requirement' Minimum size 30mm.	10 percent by number or weight but excluding visible rot, pronounced bruising or unhealed cracks. Size deviation: upto 10mm in 10 percent by number or weight.	
Grade	Quality	Tolerance												
1.Extra Class	Superior Quality, typical of variety. Minimum size 35mm.	No defects allowed, 5 percent tolerance by weight or numbers if meeting requirements of Class I size deviation upto 5mm.												
2.Class I	Good quality, typical of variety, flesh must be perfectly sound. Minimum size 30mm.	Slight defects in shape or development, colouring, or slight signs of rubbing as buring, affecting total area of not more than 0.5 sq.cm. Tolerance in quality of not more than 10 percent by weight or number but meeting requirements of Class II. Size deviation upto 10mm in 10 percent by number or weight.												
3.Class II	Fruits satisfying 'minimum requirement' Minimum size 30mm.	10 percent by number or weight but excluding visible rot, pronounced bruising or unhealed cracks. Size deviation: upto 10mm in 10 percent by number or weight.												
3. Packaging	Fruits should packed to ensure suitable protection. Packaging material should be new and clean.													
4. Marking	Should indicate name of contents, size of fruit, grade, packers identification, and government marking.													

ONIONS

		UN/ECE STANDARDS	PAKISTAN STANDARDS			
1. Minimum Requirements		Subject to special provisions and tolerances allowed in each class, the bulb should be intact, sound, clean, free from damage, sufficiently dry, free of external moisture, and foreign smell and taste. If stem must be twisted or clean cut, onion must be in a condition to withstand stress of transport and handling upto destination.	Subject to tolerance limits the dry onions (whole) shall be mature, clean, free from sun-scald, decay as also from damage by seed stem, moisture, double bulb, disease and other damages.			
	Grade	Quality	Tolerance	Grade	Quality	Tolerance
2. Grade & Specifications	1. Class I	Must be of good quality. Shape and colour typical to, variety, firm compact, no evidence of growth no hollow or tough stem.	10 percent by weight of onions not satisfying requirements of class but meeting those of class II.	1. Pak Bold	64mm and above in diameter	5 percent by weight
	2. Class II	Onions that satisfy 'minimum requirements' should be reasonably firm.	10 percent by weight may be of shape and colour not typical of variety, show early evidence of growth, traces of rubbing, slight marking of diseases, and healed cracks, rotting, marked, bruises and unhealed cracks not allowed.	2. Pak Medium 3. Pak Small	51mm and above in diameter 38 mm and above in diameter	7 percent by weight 8 percent by weight
3. Sizes	All Classes	<u>Minimum - To</u>		<u>Tolerance</u>		
		10mm	20mm	5mm in not more than 10 percent by weight.		
		20mm	40mm	15mm in not more than 10 percent by weight		
		40mm	70mm	20mm in not more than 10 percent by weight. grades as		
		70mm	above	30mm in not more than 10 percent by weight.		
						Sizes specify grades above.

4. Packaging Must be packed to protect the produce properly. packaging material should be new and clean.

Shall be packed in small jute bags, of the same size and approximately of the same weight. Only one grade shall be packed in one package.

5. Should indicate name of contents, quality, size, weight, identification of packer, and official mark (optional).

Merchants shall place their marking only one side of the bag. The grading staff shall stencil its own mark on the other specifying the spice. The grade and the consignment number.

SHELLING PEAS

UN/ECE STANDARDS			PAKISTAN STANDARDS		
1. Minimum Requirements	Subject to special provisions and tolerances, <u>the pods</u> must be typical of variety, intact, sound, clean, free of abnormal moisture, and foreign smell and taste. <u>The peas</u> must be fresh, well formed, sound and of normal size.	Subject to special provisions, the fresh peas shall be typical of variety, sound and fresh, clean, free from abnormal external moisture, succulent and firm, not over-ripe and free from decay and damage, foreign smell or taste.			
	Grade Quality Tolerance	Grade Quality Tolerance			
2. Grades & of Specifications	<p>1. Class I Pods to be typical of variety, free from damage, peduncles attached, fresh, well filled with <u>at least 5 seeds</u>. The peas to be well formed, tender, succulent, non-farinaceous half the full-grown size but not full grown.</p> <p>2. Class II Should at least satisfy minimum requirements Riper than Class I, slight defect of colouring and superficial damage with less freshness in pods. The peas may be less coloured, harder but not over mature.</p>	<p>1. Pak Length of pod Large should be 50mm and above. Each of pod should contain not less than 5 seeds.</p> <p>In size and number of seeds to the extent by 10 percent by weight of pods.</p>			