

Afghanistan

the choice location for production of
vegetable and field crop seed for
export to
Near East, South Asia and Far East countries

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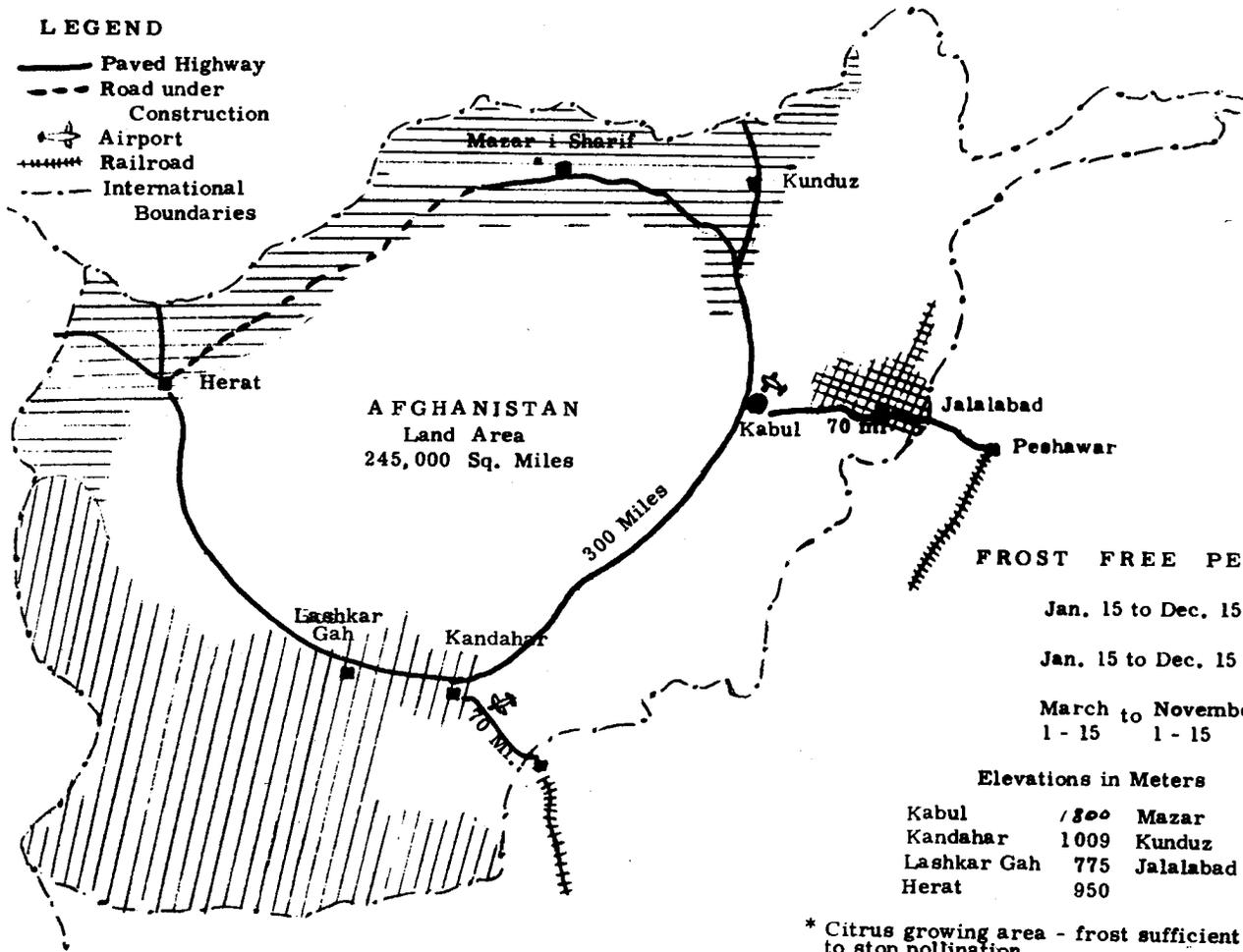
Agriculture Division

Kabul, Afghanistan

March 1971

LEGEND

-  Paved Highway
-  Road under Construction
-  Airport
-  Railroad
-  International Boundaries



AFGHANISTAN
Land Area
245,000 Sq. Miles

FROST FREE PERIODS

- Jan. 15 to Dec. 15*
- Jan. 15 to Dec. 15
- March to November
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Elevations in Meters

Kabul	1800	Mazar	357
Kandahar	1009	Kunduz	400
Lashkar Gah	775	Jalalabad	569
Herat	950		

* Citrus growing area - frost sufficient only to stop pollination.

AFGHANISTAN -- THE CHOICE LOCATION FOR PRODUCTION
OF VEGETABLE AND FIELD CROP SEEDS FOR EXPORT
TO NEAR EAST, SOUTH ASIA AND FAR EAST COUNTRIES

James H. Clifton

Geographical Location

Afghanistan is a land of near-perpetual sunshine that has a very dry atmosphere. It is the transition zone between the Near East--Mid East desert type climates and the humid, sub-tropical South Asian climate of India, Pakistan, Thailand, and Malaysia. The countries of South Asia must produce or import food to support almost one billion people. Large populations plus the developing nature of these countries create tremendous demands for feed and vegetable crops. Meats are a luxury and, in addition, a large part of the population are Hindus who are primarily vegetarian.

Sub-tropical climates are ideally suited to producing lush vegetative growth; however, the tropics work against seed production. Hot, humid climates create seed production problems requiring costly harvesting, drying and cold storage facilities in order to assure strong, viable planting seed.

Limited market data indicate that import values of vegetable seeds by the South Asian countries are steadily increasing and are now several million dollars each year. Field crop seed imports, although erratic on a yearly basis, are often several times the value of vegetable seed imports. Regardless of the present market for seeds in developing areas, the potential market is many times greater as the market channels are modernized in over-all country development.

Vegetable seed production and export as a first consideration in an investment opportunity.

1. Most vegetable seeds have a high dollar value per unit of weight ratio. This weight to value ratio is, of course, important in both international transportation and internal transportation and marketing of importing countries.

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Vegetable seeds are suited to small package merchandising and distribution by mail and bus service. Light weight, high value seeds distributed by air mail or bus lines (often subsidized) give fast, dependable service to help in market channel development.

2. Most developing countries expend too little effort on over-all seed industry development. The seed programs that exist are generally confined to the public sectors and are concentrated on field seed production of staple crops, such as wheat, rice, or corn.

3. Vegetable seeds are recognized as seeds that require more expertise than is considered necessary for open-pollinated field crop seeds.



is desired for various types of seed production may be found. For example: Winter "grow-out" tests may be made at Jalalabad, only 70 miles from the high-dry climate of Kabul, which is ideal for low cost seed storage. Also, the Kandahar area where nature's heat and sunlight eliminate risks to loss of



Cabbage Production At Jalalabad

germination inherent in artificial drying of seed that would be necessary in the sub-tropics. The Kandahar area has a desert-type climate. Soils range from sandy loam to adobe type clays. An abundant supply of surface water is available for low cost irrigation. Humidity of little consequence rises at night in



A Small Field of Onion Seed Production
In The Kandahar Area

irrigated fields and lowers rapidly the following day by the surrounding desert atmosphere.

The Jalalabad area soils are mostly alluvial sands to sandy loams and are well drained. The surface water supply for irrigation is excellent. Principal crops are wheat, rice, sugar cane, corn and early vegetables. It is very similar to the Rio Grande Valley of Texas.

Rainfall is sparse in all areas of Afghanistan, generally ranging from two inches up to ten inches annually in most areas. Snowfall in the Hindu Kush mountain range supplies the water for irrigation in the valleys of lower elevation. The Hindu Kush extend across the country from east to west with peaks in excess of 20,000 feet. As the warm season progresses each year, snow melts at progressively higher elevations and provides a generally steady stream flow. Retention dams on some major streams contribute to an orderly stream flow and electric power generation.



Afghan Gardeners Carefully Hand Till
Flowers and Vegetables

Afghanistan Investment Climate

The Foreign and Domestic Private Investment Law of Afghanistan is a model program to encourage foreign capital and management to help develop the Afghan private sector. A booklet on the investment law is available on request.

Address preliminary inquiries to:

Secretary of Investment Committee	or	Agency for International Development
Ministry of Commerce		Kabul (ID)
Royal Government of Afghanistan		Department of State
Kabul, Afghanistan		Washington, D.C. 20521

The law essentially provides: (1) a grace period on company income taxes, (2) exemptions for export and import duties related to the product produced and inputs necessary to production, and (3) guaranteed repatriation rights on company profits and investments.

The law also establishes an Investment Committee composed of the Ministers of Commerce (Chairman), Finance, Agriculture, Planning, and Mines and Industries to deal with the respective investment applications. This provides from the start for a certain degree of coordination at the government level which should be helpful to the prospective investor. To date, approximately 107 companies have received investment committee approval to do business under the investment law.

Availability of Electric Power and Other Needed Resources

Jalalabad, Kabul, and Kandahar all have adequate electric power and additional capacity is being added. Gasoline, oil, diesel, and kerosene supplies are plentiful and reasonably priced.

Transportation

Two major airports are located at Kabul and Kandahar. Jet air service is provided by Iran, Pakistan, Indian, and Afghan airlines. Paved highways



The Modern Terminal Building at Kabul's International Airport

circle the country and extend to rail heads in Peshawar and Chaman, Pakistan. Two connecting paved roads in Iran are in the planning stage or under construction -- one to Meshed, a rail head, and another to the Persian Gulf. A modern fleet of privately owned busses and trucks provide service throughout the country.

Personnel and Labor

A large cadre of western-trained Afghans is in country with additional numbers in the United States on U.S.A.I.D. training programs. English is taught in many high schools and is spoken by increasingly larger numbers of Afghans.

All classes of labor are relatively inexpensive. Costs are comparable to U.S. prices of the early 1930s. A large number of mechanics and fabricators trained by American companies as a result of various construction programs, such as highways, dams, and airports, are available.

Land Tenure

A recent high court ruling was made so that long term land agreements are now possible. It has been reported often that large tracts of land are available for lease or rent at very low prices. Little underground water has been developed, even though it has been proven it exist.



Wheat, The Nation's Staple Crop, Is Generally Grown
In Small Irrigated Fields and Harvested by Traditional Hand Methods

Local Living Conditions

Adequate housing is available. Construction is adobe-type mud brick walls, plastered and painted. Kerosene, wood, and electricity are used for heating and cooking. Excellent local and imported fruits and vegetables can be found the year around. Meats of fish, fowl, and mutton are plentiful, and recently, grain-fed aged beef became available. Afghanistan has mutton and needs fertilizer. Conversely, nearby oil producing countries have large supplies of fertilizer, and reportedly are deficient in mutton. Therefore, the export of mutton should and will probably be increased extensively in the near future. Livestock feeding is increasing, thus enhancing the prospects for seed of forage and feed grain crops internally for the livestock industry.

School

The American International School in Kabul, which is staffed by well-qualified teachers, serves the American community.

Medical Care

Drugs and medicines are plentiful. CARE Medico and the Peace Corps supplement a few western-trained Afghan doctors. Highly skilled medical doctors and dentists are available in Pakistan and India.

Additional Investment Guarantees

U. S. Agency for International Development has a program entitled "Specific Risk Investment Guaranty." Copies of the book are obtainable from Overseas Private Investment Corporation, Department of State, Agency for International Development, Washington, D.C. 20523.

The U.S.A.I.D. program is directed toward lessening a company's foreign investment risks through convertibility guarantees and protection against expropriation and insurrection.

Banking and Finance

The World Bank is represented in Kabul. Recently, the Afghan Agricultural Development Bank received a \$5,000,000 IBRD credit.

Afghanistan has one of the few remaining free money markets.

Summary

Afghanistan has the climate for producing excellent seed and the investment climate to make it profitable. Nearby markets are apparently very great now and should grow much larger. The Afghan and United States governments are trying to minimize a company's risk that arises through international trading. However, no guarantees are undertaken to assure production efficiency or market development; these are the forte of an American businessman.

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