

A blue surgical mask is lying on a bed of brown, fallen leaves. The mask is partially visible, showing its pleated surface and ear loops. The leaves are scattered around the mask, creating a natural, somewhat somber background. A semi-transparent green rectangular box is overlaid on the lower half of the image, containing the title and author information.

# Pakistan Agriculture Crisis

## Pakistan's Agriculture Sector & COVID-19

UZMA ZIA <sup>2</sup>

Pakistan's economy is mainly agrarian. Agriculture contributes to the country's Gross Domestic Product (GDP) with about 43 percent labor force employed in this sector. The sector gains foreign exchange earnings and is a good source of dealing with food insecurity. Agriculture sector is mainly based on traditional techniques. Recently some new technology has also been adopted. The sector has been a source of employment for rural and unskilled labor force. A part of industrial sector is also dependent on agriculture produce. Key examples are flour mills & industry, sugar industry, cotton ginning and textiles, solvent extraction unit of edible oils and some food processing units.

The current situation of COVID-19 has given rise to number of economic problems in the country and it was also expected to affect the agriculture sector.

**As indicated in the latest Pakistan Economic Survey 2019-20, the agriculture sector is not very much affected in 2019-20. The growth of 2.67 percent is observed in 2019-20 as compared to 0.58 percent achieved in 2018-19 reducing the threat of food insecurity.**

### Policy Initiatives by Government

- Prime Minister Imran Khan announced Rs1.13 trillion (\$7 billion) relief package for country during COVID-19.
- About Rs280 billion (\$1.76 billion) allocated specially for wheat procurement, and around Rs100 billion (\$63 million) is announced for deferred payment of loans for small and medium enterprises and agriculture sector.
- The government has decreased the subsidy given to PASSCO from Rs15.5 billion to Rs7 billion.
- The government has allocated Rs2 billion for wheat operations, Rs5 billion for reserving wheat stock, Rs6 billion for giving subsidy on wheat to Gilgit-Baltistan, and Rs6 billion for fertilizer plants. (Budget FY 21)
- COVID-19 has reduced global economic growth rates and government of Pakistan has also revised its growth targets.

Policy Initiatives/Regulatory Institutions	Steps taken for Agriculture Sector
Punjab Government Initiative	1. The Punjab government offered Rs15 billion worth interest-free loans to farmers, crop insurance for 250,000 farmers and 1.2 million sacks of seeds for the next wheat crops.
Sindh Government Initiatives	2. Sindh government has redirected the release of 132 million rupees for corona virus emergency measures.
Lead Regulatory Institutions dealing with COVID-19	3. Federal government of Pakistan and Ministry of Agriculture. 4. Provincial Governments and Departments.