Agriculture Value Chain Development of South Asia: Opportunities and Constraints

Value Chain is defined as the set of actors (private, public, and including service providers) and the sequence of value-adding activities involved in bringing a product from production to the final consumer. In agriculture they can be thought of as a ‘farm to fork’ set of processes and flows (Miller and da Silva 2007, p. 11).

Pakistan’s agriculture is still driving on the same old track of traditional farm based productivity enhancement approach, though globally, due to changes in consumer tastes and preferences, agriculture has geared up towards value chain development. Income of small farmers can be increased by changing this line along the road, and by switching over to value addition and processing. Agriculture, which is the main source of livelihood for 60% of the rural population in Pakistan (Ministry of Finance 2012), has the potential to be transformed into a profitable enterprise through this approach.

Fruits, vegetables and livestock based processed products can bring huge income for all the stakeholders along the chain starting from grower and producer to middleman, trader and processor, besides meeting consumer demands. The major fruits produced in Pakistan are citrus, mango, apple, banana, apricot, plum, guava, peach, grapes, and almonds (Pakistan Bureau of Statistics 2011). The combined production of all these fruits stands at 6.93 million tonnes while the combined production of all vegetables stands at 6.18 million tonnes (Ibid). Of these, hardly 5% is processed, while the remaining is marketed in the raw form, leading towards about 35% post-harvest losses, with farmer as the biggest loser along this channel (Pakissan 2013). Similarly, Pakistan is 5th largest milk producer in the world with an estimated 47.95 million tons milk production per annum, out of which less than 5% milk is processed (Ministry of Information and Broadcasting and National Heritage 2011). Similarly, Pakistan suffered a loss of PKRS 169 Billion due to post-production losses of milk (Express Tribune 2012).

Now that due to increased income-level of consumers and changes in their tastes and preferences, not only at the global level, but equally at the regional and national level, value addition and processing in food, fruits, vegetables and livestock based products is gaining more and more attention. The total value of global processed food industry is estimated to be valued at around US $3.5 trillion, accounting for three-fourth of the global food sales. Despite its large size, only 6% of processed food crosses international border, through trade, compared to 16% of major bulk agricultural commodities. Japan is on top of the food processing market in the Asia, followed by India and China (Anjum 2011).

This panel is being organised to deliberate and explore ways for transforming post-harvest losses into income for the stakeholders, especially small farmers, through value chain development with a focus on South Asia. The enhanced income especially of small farmers, will contribute towards reducing poverty, and hunger in rural areas. As an outcome, such efforts would contribute towards achieving MDGs Goal 1 of halving world poverty and hunger by the target set for the year 2015.

More specifically, the panel aims to deliberate:
• To create enhanced and equal opportunities for all stakeholders along the value chain in terms of income;
• To transform agriculture and livestock commodities into value-added products;
• Integrating farmers in general, and small farmers in particular, into the chain through their agri-business and entrepreneurship skills development;
• Identifying constraints, and recommending policy on value chain as an effective tool for rural development and poverty alleviation.

References:


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