

# *Agribusiness Development*

*Through*

*Public / Private Partnership*



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**CEO**

**AGRIBUSINESS SUPPORT FUND**

# *Agribusiness Development*

## **OBJECTIVE**

To develop a competitive and sustainable private-sector led agribusiness sector, particularly in high value areas of horticulture, livestock and fisheries

And thereby

Support rural development, employment generation and poverty alleviation

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## **OUTPUTS of INITIATIVES**

- Increase productivity / reduce yield gaps
- Promote commercially oriented agriculture activity
- Advance high potential sectors: horticulture, livestock and fisheries

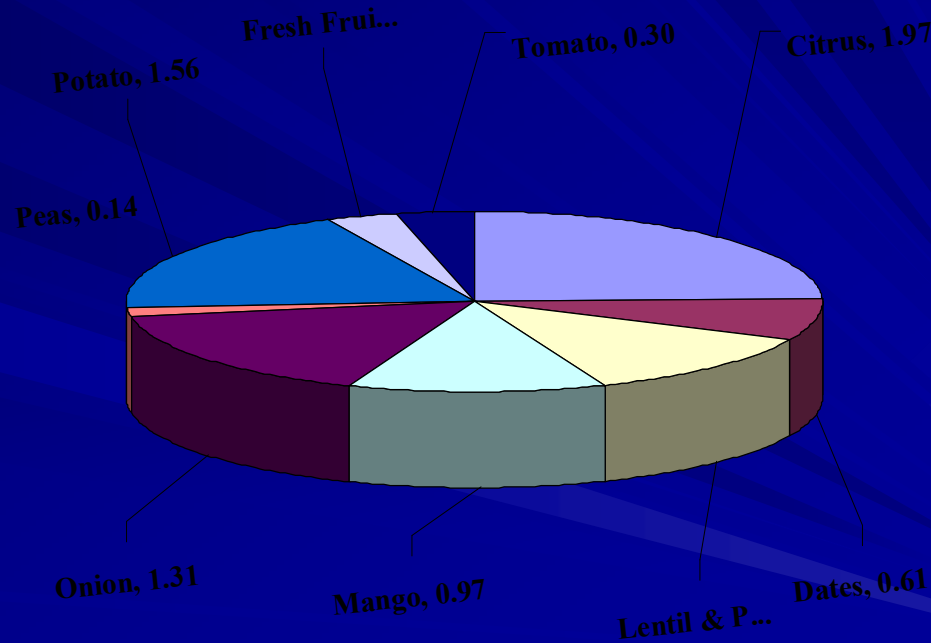
# *Agribusiness Development*

## **Potential / Opportunities: Agribusiness in Pakistan**

- Large Domestic Market of 160 Million People
- Strategic Location: Proximity to Regional Markets
- Rising domestic income levels
- Low Cost Human Capital
- Vast Agriculture Resource Base
  - Largest Producer of Kinow Variety in the World
  - 3<sup>rd</sup> Largest Herd of Animals
  - 4<sup>th</sup> Largest Producer of Milk
  - 5<sup>th</sup> Largest Producer of Mango
  - 3<sup>rd</sup> Largest Producer of Dates
- Large untapped potential with high value addition possible
- Large and growing global / domestic market for targeted high-value sectors

# MAJOR HORTICULTURE PRODUCE

	Ton (000)	% of World
Citrus Fruit	1,966	2.82
Dates	610	10.65
Mango	970	4.02
Onion	1,310	2.62
Potatoes	1,560	0.49
Tomato	303	N/A
Lentils/Pulses	980	7.72
Peas	143	0.74



- Other items not included due to lesser quantities

- Produce figures taken from FAO data



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## **Major constraints faced by agribusiness**

- Lack of a guiding national policy
- Limited access to finance
- Limited capacity for agribusiness start-up
- Weak public-private partnerships / institutional capacity
- Poor inter-agency coordination
- Absence of demand driven agriculture research and extension

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## Strategic actions

- National / Provincial / Special Area horticulture policies in-hand
- Livestock and Fisheries policies finalized
- SBP has identified 5 Banks for agribusiness finance development
- Demand-driven support for agro-enterprise start-up launched
- Upgrading of laboratory services for fisheries, grains, animal products, seeds and nurseries in place
- Programs to build awareness for the need to comply with international standards and practices (EUREPGAP)
- National Animal and Plant Health Service (NAPHIS) established
- Collection and dissemination of market information in collaboration with the private sector launched
- Agribusiness courses and technical training / capacity building programs established with key institutions

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## **Key Agribusiness Initiatives**

- Agribusiness Development & Diversification Project
- Agribusiness Support Fund
- Livestock & Dairy Development Board and Dairy Development Company
- Fisheries Development Board
- Complementary projects for tea, herbs, olives, palm oil and vegetable seed & fruit nursery production
- MINFAL Trade coordination unit for agricultural products



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## **Livestock & Dairy Development Board (LDDDB)**

- Structure: Private-sector led Not for Profit Company

## **Major Initiatives**

- **Milk collection and dairy development program**
  - 300 Milk Collection and Marketing centers for Small and Landless Farmers
  - Support to Market-oriented Rural Dairy Farmers / Production of Quality Breeding Animals
  - Direct impact: 345000 tons increase in qty
- **Livestock production and meat production program**
  - Feedlot Fattening Farms (2350)
  - Slaughterhouses (8) and butchereries (20) in Private Sector
  - Direct impact: 30000 tons increase in beef and mutton
- **Food Security and Productivity Enhancement of Small Farmers**
  - Diversification of activities to include livestock and poultry
  - Program covers 80 districts with 1963 union councils.
  - Train and deploy 290 Vets with RSPs' field units for vet services
  - 7250 community livestock workers to be trained

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## **Fisheries Development Board (FDB)**

■ Structure: Private-sector led Not for Profit Company

■ Fisheries Potential:

Source of livelihood: 400,000 fishermen

Potential for export: \$ 200 mill to \$ 1 bill

■ Fisheries Development Board: Outputs

- |   |                 |
|---|-----------------|
| - Business Development Support of         | Rs. 500 mill    |
| - Will attract private sector investment  | Rs 2.0 bill     |
| - Shrimp farms:                           | <b>1175</b>     |
| - Cages: Ponds / raceways / inland farms: | 1000            |
| - Additional Employment                   | 3000 households |

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## **Agribusiness Support Fund**

■ Structure: Private sector led Not for Profit Company

■ **OVERALL FOCUS**

To strengthen and support demand-driven private sector service delivery mechanisms throughout the agribusiness value chain

**Strategy in Action: Enterprise Development through Capacity Building**

■ Two examples of ASF Interventions:

- Citrus EurepGap Certification project
- Partnership with RSPs for farmer group enterprise (FGE) formation

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## ASF INITIATIVE: EXAMPLE 1

- Citrus EurepGap Certification project
- Partnership: Exporters / Processors / Growers / Private sector extension / ASF
- Demand-driven: Project costs equally borne between Exporters / Processors and ASF
- In the first phase 12 exporters and 250 farm families will benefit from the program
- Initial area covers over 100,000 tons of annual kinnow production which accounts for 50% of current kinnow exports
- Result: higher yields, improved quality, new markets, premium prices, increased foreign exchange earnings

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## ASF INITIATIVE: EXAMPLE 2

- Partnership with RSPs for farmer group formation
- 100 % financed by ASF
- RSPs identify, establish and facilitate farmer group enterprises (FGE)
- Case: Support extended to 9 women associations (83 women) for the establishment of green house for seedling production for supply to local small farmers
- Commercially oriented / sustainable / replication potential
- Result: Off-season production, premium prices, commercial activity / source of income for rural women

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## **Agribusiness Development Project:** **Outputs**

■ Agribusiness enterprises support	705
■ Farmers Group Enterprises	1,250
■ Research & extension providers	30
■ Agribusiness enterprises financed	10,000
■ Farmers trained – on-farm	25,000
■ Agribusiness awareness trainees	3,200
■ Trainers trained	816
■ Extension officers trained	500
■ Reduction in post harvest losses	\$ 500 mill

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## EXPECTED IMPACT

- Creation of commercially viable agribusiness enterprises
- Meet consumer demand for product uniformity, presentation and continuity of supply
- Enhance Pakistan's reputation for standards compliant agriculture produce
- Empower small farmers by developing numerous farmers' group enterprises
- Increase access to agribusiness finance
- Generate employment and alleviate poverty

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**Thank you**