Cotton Production, Marketing and Export

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Foreword

Improved Agricultural Marketing Information system is key to the development of Pakistan's Agrarian Economy. Fully cognizant of the fact, Government of the Punjab in Agriculture Department is implementing a Programme for improvement of Agricultural Marketing Information System to facilitate Agribusiness with special emphasis on exports. The objectives are as follows:

- **Collection of data on domestic production to monitor the crop situation to find out estimation Marketable and Exportable Surplus.**
- **To collect information on International Production and Trade.**
- **To provide Information to the policy maker to facilitate export of Agriculture Crop/Produce to find out potential export markets to accelerate export.**
- **Maintenance of database on vital information regarding domestic and International Production, Trade, Consumption needs and quarantine requirements/ standards of Agriculture Crop.**
- **To discuss the WTO issues and Constraints under its regime.**

This report relate to Cotton through a planned effort, keeping in view the above objective. Available information is updated, further required data has been collected and processed.

The information collected has been compiled into a booklet form to be used as reference/benchmark by all the stakeholders' viz. producers, processors, traders and exporters to enable them to plan an effective role in the World's production, productivity and export. The efforts made by Mr. Muhammad Ajmal Agricultural Officer (E & M) Headquarter office & Mr. Muhammad Irfan Bhatti analyses and composition to compile the information is highly acknowledged.

To update the information is regular activities. All the stakeholders can obtain the latest information from the Directorate through toll free telephone Number (0800-51111). Any suggestion for improving the format and the content of this publication would be welcome.

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INTRODUCTION

Cotton is the most important textile fiber in the world, accounting for over 40 percent of total world fiber production. While some 80 countries from around the globe produce cotton, the United States, China, and India together provide over half the world's cotton. The United States, while ranking second to China in production, is the leading exporter, accounting for over one-third of global trade in raw cotton.

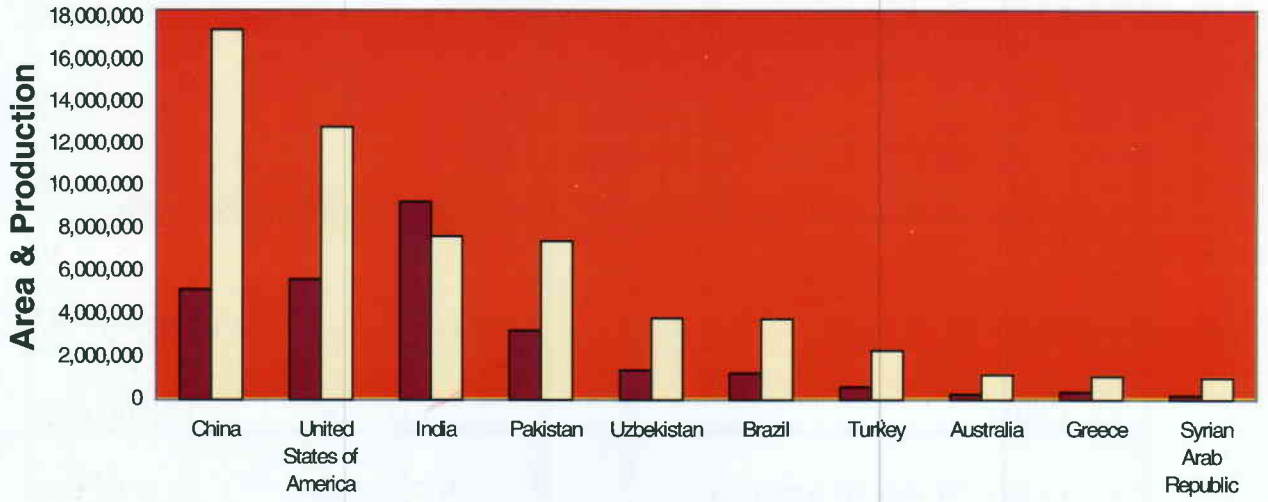
Country wise Area & Production of Seed Cotton For the Year 2005

No. Sr.	*Country*	*Area (Ha)*	*Production (Mt)*
1	China	5,060,000	17,100,000
2	United States of America	5,533,330	12,574,160
3	India	9,100,000	7,500,000
4	**Pakistan**	**3,192,600**	**7,279,400**
5	Uzbekistan	1,390,000	3,770,000
6	Brazil	1,253,860	3,726,930
7	Turkey	600,000	2,290,000
8	Australia	285,000	1,178,000
9	Greece	375,000	1,100,000
10	Syrian Arab Republic	218,294	1,024,000
Top Ten		**27,008,084**	**57,542,490**
Other 76 Countries		7,992,658	9,711,786
Grand Total		**35,000,742**	**67,254,276**

Source: FAO

Similarly, Pakistan is one of the ancient homes of cultivated cotton in the World. The people of Bolan valley cultivated cotton and used cotton clothes some 5000 years ago i.e. 2000 years before Moenjodaro civilization in Sindh, Pakistan.

Country wise Area & Production of Cotton during the Year 2005



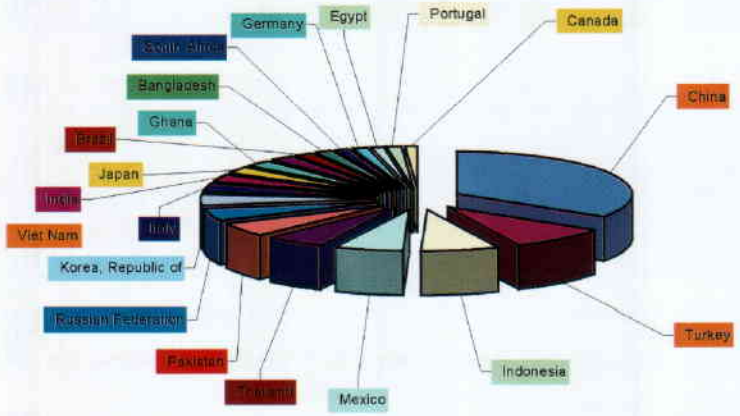
Pakistan is the 4th largest producer of cotton in the world, the 6th largest importer of raw cotton, the third largest consumer of cotton, and the largest exporter of cotton yarn. 1.3 million Farmers (out of a total of 5 million) cultivate cotton over 3 million hectares, covering 15 per cent of the cultivable area in the country. Cotton and cotton products contribute about 10 per cent to GDP and 55 per cent to the foreign exchange earnings of the country. Taken as a whole, between 30 and 40 per cent of the cotton ends up as domestic consumption of final products. The remaining is exported as raw cotton, yarn, cloth, and garments.

World yield comparison indicates that Pakistan stands at position 16th in the cotton production. Because of Non-availability of genetically resistant varieties and pest attack has always remained a problem in the cotton production. A multidimensional approach has been followed to produce high quality and transgenic cotton, resistant to the diseases.

County wise Yield of seed cotton For the Year 2005

Sr. No.	Country	*Yield (kg/Ha)*
1	Israel	54,167
2	Syrian Arab Republic	46,909
3	Australia	41,333
4	Spain	38,289
5	Turkey	38,167
6	China	33,794
7	Niger	33,333
8	Brazil	29,724
9	Greece	29,333
10	Mexico	29,230
11	Kyrgyzstan	28,213
12	Laos	28,000
13	Uzbekistan	27,122
14	Egypt	26,032
15	Iran, Islamic Rep of	23,196
16	Pakistan	22,801
17	El Salvador	22,754
18	Botswana	22,727
19	United States of America	22,724
20	Bangladesh	22,500

Import of Cotton during the year 2004

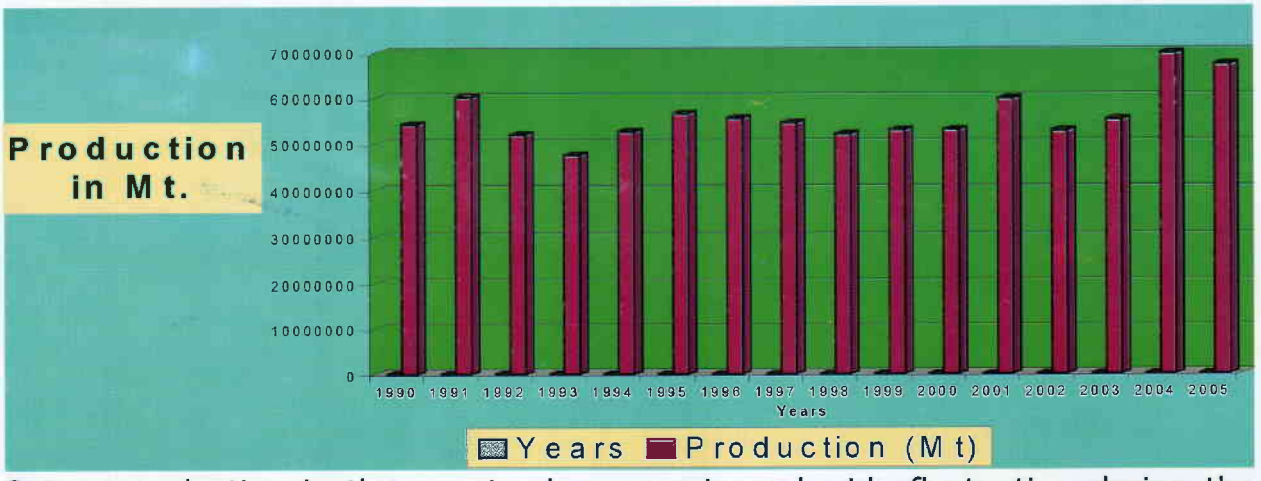


World Import of Cotton during the Year 2004

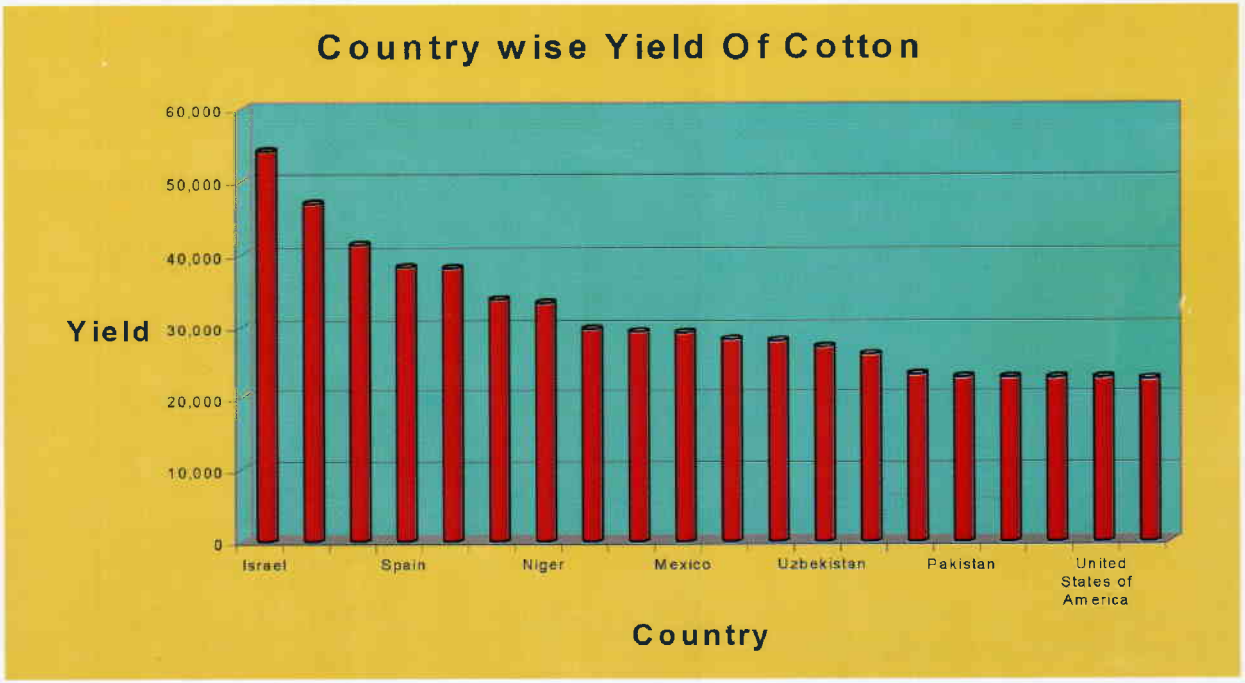
S.No.	Country	Quantity in Mt.
1	China	2,139,812
2	Turkey	585,108
3	Indonesia	448,690
4	Mexico	398,114
5	Thailand	358,448
6	**Pakistan**	**330,473**
7	Russian Federation	308,061
8	Korea, Republic of	268,794
9	Italy	208,663
10	India	171,168
11	Japan	167,053
12	Ghana	158,276
13	Viet Nam	136,000
14	Brazil	105,188
15	Bangladesh	95,959
16	South Africa	89,572
17	Germany	85,701
18	Egypt	82,178
19	Portugal	78,470
20	Canada	71,136

The United States is a major cotton exporter to Pakistan. From January to November 2003, the United States exported more than 500,000 bales of cotton to this country, making it the seventh largest market for U.S. cotton.

World Production of Cotton from 1990-2005

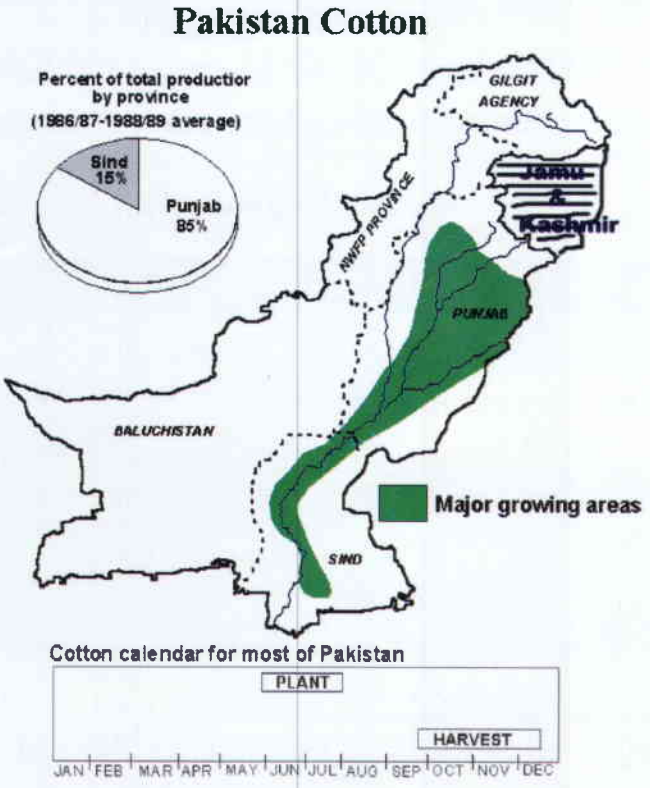


Cotton production in the country has experienced wide fluctuation during the decade and has average at 10.8 million bales during last three year. The average annual growth in its production has been 2.4 percent, 1.8 percent on account of yield and 0.6 percent due to area. The swing in cotton production and prices has adversely affected all the cotton related sub sector of the economy.



COTTON IN PAKISTAN

Major Cotton growing areas in Pakistan are Rahim Yar Khan, Multan, Vehari, Lodhran, Muzzafar Garh, Layyah, D.G.Khan, Khanewal, Sahiwal and Pakpattan districts of Punjab Province and Sanghar, Dadu, Khairpur, Sukkur, Ghotki & Nawab Shah Districts of Sindh Province. Cotton in most of the parts of Pakistan is planted during June & July while it is harvested from September to December.



Province wise area under cotton crop

Area in (000) Acrs

YEAR	PAKISTAN	PUNJAB	SINDH	N.W.F.P.	BALOCHISTAN
1996-97	7780.51	6277.09	1485.63	0.74	17.05
1997-98	7313.71	5803.13	1483.40	1.24	25.95
1998-99	7222.53	5641.03	1557.29	0.99	23.23
1999-00	7371.54	5755.93	1565.44	0.74	49.42
2000-01	7234.15	5897.03	1293.87	0.49	42.75
2001-02	7234.15	5897.03	1293.87	0.49	42.75
2002-03	6903.26	5456.93	1340.82	4.70	100.82
2003-04	7386.86	5898.02	1387.28	4.94	96.62
2004-05	7853.16	6222.23	1507.37	24.71	98.84
Average	7366.65	5872.05	1435.00	4.34	55.27

Source: Agricultural Statistics of Pakistan.

Province wise production of cotton crop

(Production '000' Bales)

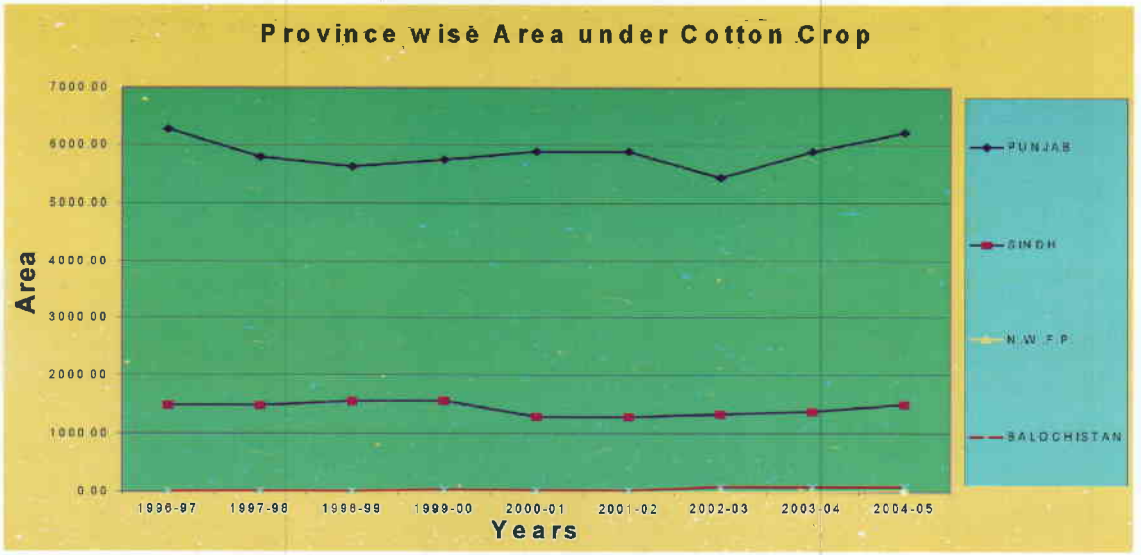
YEAR	PAKISTAN	PUNJAB	SINDH	N.W.F.P.	BALOCHISTAN
1996-97	9374.20	7103.40	2250.20	0.60	20.00
1997-98	9183.80	6817.00	2335.50	0.80	30.50
1998-99	8790.20	6628.00	2134.10	0.70	27.40
1999-00	11240.00	8804.00	2377.40	0.60	58.00
2000-01	10731.90	8540.00	2141.10	0.40	50.40
2001-02	10612.60	8046.00	2443.20	4.10	119.30
2002-03	10210.60	7664.00	2411.80	4.60	130.20
2003-04	10047.70	7702.00	2242.80	5.00	97.90
2004-05	14249.00	11149.00	3000.00	15.00	85.00
Average	10493.33	8050.38	2370.68	3.53	68.74

Source: Agricultural Statistics of Pakistan.

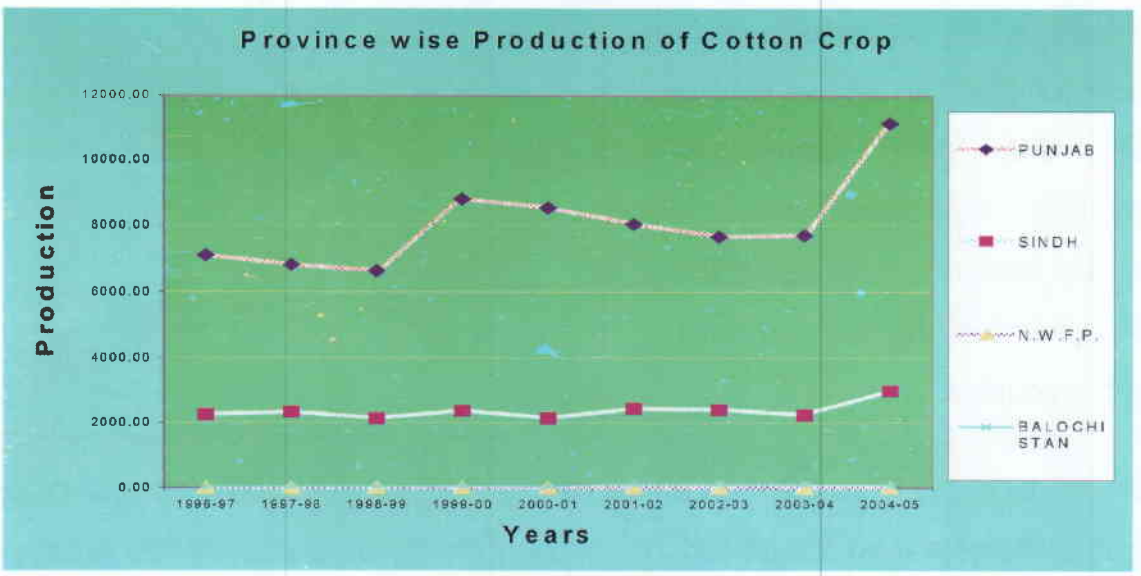
Cotton is an important cash crop for Pakistan and is known as "white gold". Cotton is annually cultivated over 3 million hectares, accounting for 14 percent of the cropped area in the country.

On an average, it contributes 22 percent of the value added by major crops. Punjab is the main cotton producer accounting for 80 percent of its area and 77 percent of the production. The share of Sindh in area is 19 percent and in production 22 percent.

Cotton farming is the principal source of raw material for the textile industry, the largest industry employing 40 percent of the industrial labour. The foreign exchange earned from the exports of cotton and its made ups constitutes about 65 percent of the earnings from merchandise exports. The cultivation of cotton also contributes in the production of edible oil, as cottonseed is an important source of oil. Cottonseed and its cakes are also used in feeding livestock.



Based on three years period of 2002-03 to 2004-05, annual production of cotton at country level has averaged at 11.15 million bales from 2.99 million hectares (7.39 million acres).



Cotton and Cotton products occupy a pivotal position in the economy of Pakistan. Pakistani Weaving industry has been producing sophisticated quality

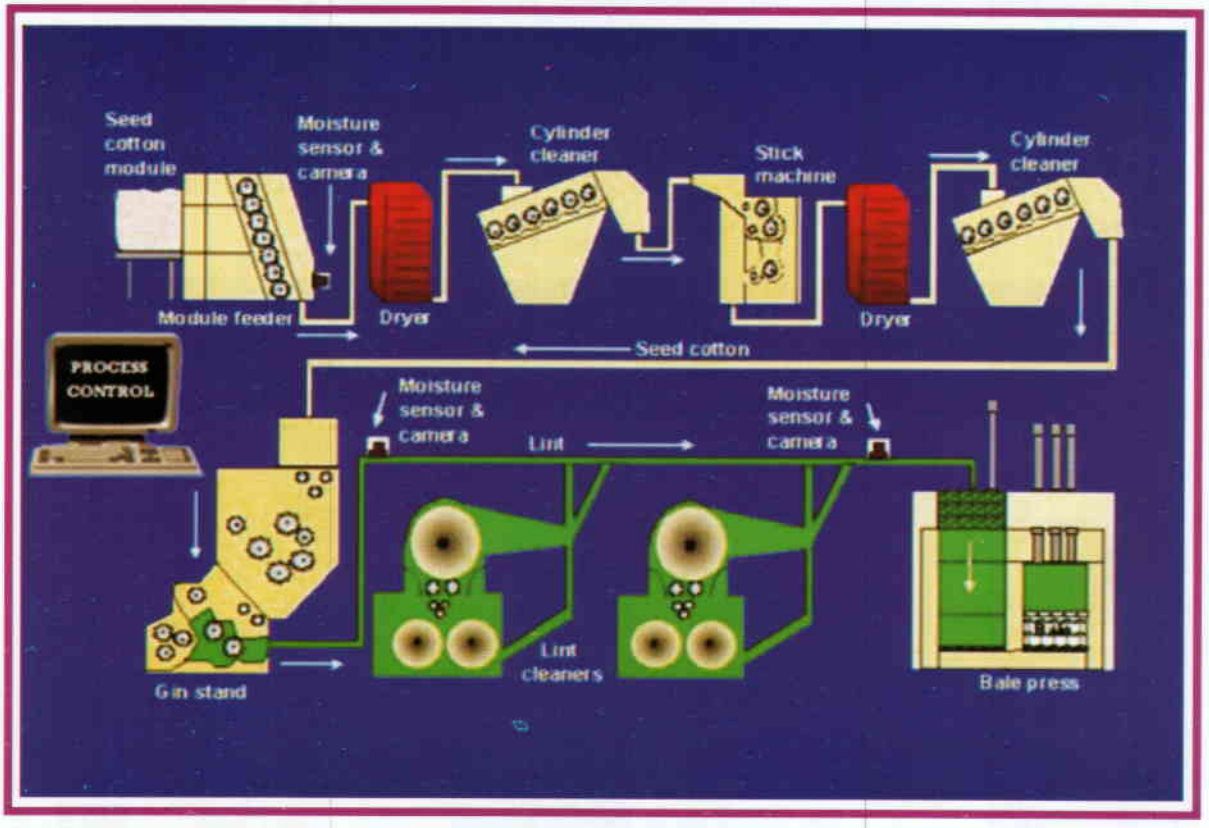
fabrics in line with the latest overseas demand. Made of superior Cotton, the textile fabrics of Pakistan are distinguished for their quality, texture, lustrous colour and rich combination of superior designs and competitive prices.

COTTON GINNING INDUSTRY

After harvesting, the first mechanical process involved in the processing of cotton is ginning. Ginning is the process for separating lint from seed to cotton. The ginning industry has mushroomed in the cotton growing areas of Pakistan informally, without adequate regulation. There are 1,221 ginning factories in the country.

Ginning industry has and installed over capacity of more than one million bales on a single shift basis and a total capacity of around 20 million bales on three shift basis, part of which lies unutilized.

Pakistan is a developing country with peculiar issues and problems faced by its ginning industry. Cotton is entirely hand picked and use of gin process monitoring and controls are not there. Being producer of good quality medium to medium long staple cotton varieties suffers from a number of problems related to non application of standards, ginning practices and poor management. The machinery being used is locally made and is very old. Hence the efficiency and productivity of the process is one-fifth of that of machines currently being used in US or in other competing countries. In Pakistan cotton processing industry has catered to low quality products - lint, yarn and fabric, over the past few decades. Changing global demands and textile market profiles are demanding a shift to quality products. In this the ginning factory plays a pivotal role for determining quality of cotton fiber as raw material for



Ginning process - flow diagram

downstream industry. Yet this component of local textile industry is the most neglected and antiquated. Unless up gradation of this industry is undertaken, it would not be possible to remain competitive in export markets.

However, now government is taking some serious steps to up grade this sector of the industry. Establishment of cotton standards through PCSI, setting up of a Ginning Institute are positive steps towards the right direction. Presently Engineering Development Board in collaboration of Field Wing of Punjab Agriculture Department has development an improved version of Gin stand which has kept improve quality of ginned cotton.

TEXTILE INDUSTRY

The cotton textile industry is the back bone of Pakistan's economy. Pakistan's Textile industry enjoys several advantages over many other countries as far as the production of quality fabric is concerned, which include availability of high-grade locally produced raw cotton and abundance of trained manpower.

Cotton production supports Pakistan's largest industrial sector, comprising some

- **400 textile mills,**
- **7 million spindles,**
- **27,000 looms in the mill sector (including 15,000 shuttle less looms),**

- **over 250,000 looms in the non-mill sector,**
- **700 knitwear units,**
- **4,000 garment units (with 200,000 sewing machines),**
- **650 dyeing and finishing units (with finishing capacity of 1,150 million square meters per year),**
- **300 oil expellers,**
- **and 15,000 to 20,000 indigenous, small scale oil expellers (kohlus)**

It is by any measure Pakistan's most important economic sector. Not surprisingly, government policy has generally been used to maintain a stable and often relatively low domestic price of cotton, especially since 1986-87 through the imposition of export duties, in order to support domestic industry.

FEATURES OF PAKISTANI COTTON

Pakistan cotton is one of the best in the World and has comparative advantage in its production, due to the most suitable soil and climate. Pakistan enjoys an edge over other countries particularly in the forthcoming WTO regime. Some of the important characteristics of Pakistan cotton are as under:

Staple length	**29.8 mm**
Ginning out turn (GOT)	**40%**
Micronaries	**4.4 to 4.5 micro/inch**
Strength of fiber	**98 to 99 lbs/sq. inch**
Spinning value	**up to 50 count**
Colour	**Very bright**
Use of pesticides	**Within limits, not injurious for human use.**

Pakistan's cotton is regarded as the best among varieties of cottons of similar staples grown elsewhere in the world. Pakistan's cotton industry enjoys several advantages over those of many other counties as far as the production of quality fabrics and yam is concerned and is a world leader in the export of

cotton yarn. Including coarse, medium and fine varieties. Pakistan's leading buyers are Japan, Republic of Korea and Hong Kong.

EXPORT OF COTTON AND COTTON PRODUCTS

For Pakistan trade matters more than ever before in a highly integrated world today. Countries that have intensified their links with the global economy through trade and investment have usually grown more rapidly over a sustained period and have consequently experienced larger reduction in poverty. Pakistan's foreign trade sector is being affected both by structural and cyclical factors. On the domestic side, four years of strong economic growth strengthening domestic demand and triggering a consequent pick up in investment spending, has led to a massive surge in imports. On the external side, the global economy continues its strong and broad – based expansion with growth reaching close to 5 percent in 2006 with similar expansion projected for the next year – which will be the fifth successive year that the world economy has grown by more than 4.0 percent. A strong and geographically broad – based growth has helped world trade to expand strongly and at the same time the rapid expansion of global trade has been a key driving force for growth in almost every part of the world. Like many other developing countries, Pakistan has also benefited from a strong and sustained growth in world economy. Pakistan's exports grew at an average rate of 16.45 percent per annum over the last four yeas. Exports of textile manufacture of products grew by 19.2 percent; prominent among those are exports of bad wear (58.4%), readymade garments (31.0%), cotton yarn (29.4%), cotton cloth (16.5%) and towels (12.0%).

Export of Cotton & Textile manufactured products

($ Million)

Particulars	July-March		% Change
	2005-06	2004-05	
Raw Cotton	53.9	96.8	-44.3
Cotton Yarn	983.5	760	29.4
Cotton Cloth	1556.5	1336.3	16.5
Knitwear	1269.8	1217.2	4.3
Bed wear	1494.3	943.2	58.4
Towels	421.1	376.1	12.0
Readymade Garments	1002.1	765.1	31.0
Made-up Articles	309.2	357.6	-13.5
Others	164.9	285.4	-42.2

Source: Economic Survey of Pakistan 2005-06.

WTO: ISSUES & CONSTRAINTS

Pakistan has been a WTO member since 1 January 1995. Most important exports of Pakistan are Cotton, Garments & Textiles. The main trading partners are the United States of America, Hong Kong, Germany, the United Kingdom and Japan. Pakistan is the world's biggest exporter of yarn accounting for about 35% of the global market. It accounts for less that 0.5% of international trade in fabric and clothing.

Export items such as men-clothing, woven-cotton, floor-coverings are doing well with increasing market share in the world markets despite the lesser growing world demands. Pakistan has performed very well in men's wear-knit, exports of which are growing faster than the word trade in general.

The following subjects have been indicated as the most relevant issues for the business community under the WTO regime.

- Improved access to foreign markets (reduction/binding of tariffs, abolition of quotas)
- Subsidies, countervailing and anti-dumping measures
- Agreement on Textiles and Clothing
- Trade-related Aspects of Intellectual Property Rights (TRIPS)
- Trade-related Investment Measures (TRIMs)
- Agreement on Agriculture

Issues And Constraints

- Pakistani exports, especially textiles, are being increasingly subjected to initiation of anti-dumping and countervailing investigations which create uncertainty and depress the business sentiment. Investigation periods are sometimes quite lengthy and the legal costs of defending against these cases are prohibitive. This phenomenon is a matter of particular concern because all investigations have so far resulted in negative findings, but had created a damaging impact on normal growth of trade.

- ISO 9000 & similar standards quality constraints on textile are another issue the business community is concerned about.

- In order to survive and compete in the WTO era, the industry should concentrate on the improvements in productivity and product quality.

- The analysts consider China, India, and Pakistan as fore-runners and market leaders in WTO era. It is therefore, necessary for the Pakistan textile industry to modernize and upgrade its production facilities.

- In order to face the challenges of WTO, APTMA members have invested to-date about 3.0 billion dollars on modernization of their respective textile mills.

- Stiffer competition from other developing countries in the area of agricultural goods and garments is expected due to MFN tariff reductions.

- Pakistan and other members of SAARC wants the developed country Members of WTO maintaining quantitative restrictions on textile and clothing products to speedily eliminate such restrictions in order to provide commercially meaningful market access for developing country exports of these products, and harmonization of rules of origin on a non-discriminatory basis.

- A special cell has been created to 'safeguard Pakistan's export and other interest in international trade by communicating the changes in the system and rules to the relevant authorities in Pakistan. The Ministry of Commerce almost simultaneously opened a WTO wing which now has a functioning cell. This cell has six working groups on different WTO agreements.

CONTAMINATION, SOURCES AND REMEDIES

Export-led economic growth is on the agenda of the government and cotton is the most important export commodity of the country as cotton and cotton products accounts for 61 per cent of export receipts. However, despite its importance in the economy, cotton growth in Pakistan is generally of low grade due to which not only the raw cotton exports have been restricted, exported cotton-based products are fetching low prices.

Generally, the quality of cotton is determined by its colour, fiber length, strength, fitness and the degree to which the cotton is from contamination. Thus among others, one of the important factors which makes the quality of raw cotton low, is contamination. A contamination may be an impurity, which can affect the subsequent processes, product appearance or product quality in general. Contamination causes to produce low quality lint cotton, yarn and manufactured goods.

Pakistan's cotton has large impurity content with high level of foreign matter, trash water contents and is considered poor as per international standards. These impurities have been reducing beneficial effect of improved cultivators and impairing not only the quality of raw cotton itself but also affect the subsequent processes of the textile products.

In the past, pricing and marketing of cotton was based on variety and weight. Payment by weight together with a lack of premium to pickers resulted in a very trashy and single grade contaminated cotton of low quality, which fetched low price. The cotton support price issued by the government was also based on variety without mentioning any premium for the contamination-free quality cotton.

Thus, the government of Punjab has adopted a policy against contamination of cotton according to which only those farmers will get high price of their cotton who will supply it without any contamination. Contamination of raw cotton may take place at any level i.e. at farm while picking, at storage and marketing or at ginning. Cotton at the farm level is mainly contaminated before or at the time of picking in a number of ways. At the time of ball opening brackish and decayed seed cotton appears. Mixed picking of these balls also causes contamination.

In Punjab, traditionally, rural women pick cotton manually. Besides many benefits, a big problem of manual cotton picking is that cotton pickers are biggest source of cotton contamination. A number of impurities like pieces of leaves, immature and empty balls, stems, flowers, sticks and weeds, trash and dust, mix with cotton either due to carelessness of pickers.

It is common practice among cotton pickers that while picking cotton they make use of plastic bags and silk scarf's, which mixed with cotton, comes up as an impurity at the time of spinning and dyeing of fiber, yarn and fabrics. Also, since women mostly pick cotton, human hair is mixed with cotton at the time of picking. It creates problems at the time of ginning, spinning and weaving and inflicts losses to the industry. In addition, women pickers normally make use of

their dupatta or any surplus fabrics sheet or a cloth or polypropylene bags to collect the picked cotton. Contamination from these mixes up with cotton resulting in substandard fiber.

Rural women start picking cotton early in the morning, before the dew has dried up. It affects the quality of cotton especially at the time of making bales and storage. There are also malpractices among cotton pickers to add water to cotton at different intervals to increase its weight. Thus they do get more wages but spoil the quality of cotton. Sometimes picked cotton is stored on wet soil or in watercourses, which spoils it.

Though often picked cotton is perfect in shape, it suffers contamination successively; first at the hands of cotton pickers and farmers and later at market and ginning factories. In Punjab generally wages to cotton pickers are paid in the form of cotton, who keep the cotton at their homes until a reasonable quantity is collected to sell it in the market. During the storage of cotton in their homes, cotton gets too many contaminations like human hair, toffee wrappers, birds feathers and small pieces of fabrics, polythene bags, etc. Also Colour of the cotton changes if stored for a long time. The contaminated cotton is ultimately sold out to the market in the jute or propylene bags sewed with jute twine to be transported to the ginning factories.

Small farmers mainly dominate Punjab province and 79 per cent of the total farms have holdings up to 12.5 acres. Most of these farmers produce cotton on small area of their holdings and hence the volume of cotton collected from their farms during the season would not be enough for them to sell it directly in the markets or to the ginning factories.

Therefore, they often sell their produce at discount to traders who purchase cotton of the whole area.

It is common practice among traders that they transport cotton to market with substandard, immature or contaminated stuff. They also, considering economy of transport, mix up cotton of two varieties or two grades of the same variety, grown in the same locality. It causes contamination of fiber. There is also malpractice among traders that they mix water or crystal salt to raw cotton to make cotton bags gain weight, which leads to further contamination.

The marketing of cotton in regulated markets is conducted in the open yards in gunny bags. Thus the cotton bags are exposed to dust, trees falls, bird dropping and rain. Also farmers and traders many times stay for days before they selling it. This delay in the selling makes it susceptible to risks of rainwater damages, theft, fire and further man-made contaminations inside the yards. In Punjab cotton, is transported to ginning factories in trolleys or jute bags. After weighing, the cotton is shifted to factory courtyards to make heaps. The labor which unloads it, do not open the bags by unsewing the jute twine but just cutting it with knife and drop it to the heap. The small pieces of jute twine/polypropylene mix up in cotton. To make the bags completely empty, are strongly beaten on the heap. This causes further contamination of cotton.

Effects

Because of contamination, cotton becomes sticky and creates spinning problems as well as creates waste by licking in rollers.

- Stickiness in turn creates problems in fabric dyeing and it causes wastage of dying materials.
- Extraneous matters are not completely removed in cleaning process and fragments of contamination materials getting embedded in yarn affect cotton yarn quality.
- Due to large wastage of raw materials, cost is inflated unnecessarily.

Precautions: Following measures may help in getting contamination-free cotton:

- Mass media campaign be started to create awareness among rural women and farmers about proper picking, storage and supply of cotton.
- Picking of cotton be done under the supervision of trained growers and experts and cotton should only be picked in gray cloth. Since cotton pickers do not have the sufficient purchasing power, farmers, and ginning factory owners should provide this fabric.
- To avoid deterioration of cotton resulting from humidity, dew or rain, it is necessary that cotton should be picked when it, after receiving air and sunshine, is dried up.
- Cotton be picked variety-wise and kept it at dry pacca floors, in cloth bags. Picked cotton be labeled variety-wise and should be immediately transported from fields to market or ginning factories in trolleys made of metal bodies.
- The cotton pickers' charges should be paid in cash rather than in cotton itself. By doing so, contamination of cotton, which occurs at pickers' homes, can be avoided.
- Cotton dealers, traders, ginners and labour force working in factories should be trained in proper storage, marketing and ginning of cotton.
- To get contamination-free cotton, proper sheds and platforms in the markets should be built.
- While preparing heap, bags should be opened properly instead of cutting. Empty bags should not be beaten on the heap rather separately and obtained cotton should be cleaned, before it is added to the heap.
- Before ginning, contaminated cotton be cleaned up by the workers. Conveyers can be used to facilitate the operation.
- Incentive schemes for traders should be started.

The above discussion indicates that the Pakistan to meet the world challenges must produce trash/contamination free cotton e.g leaf particles, sticks, stems, seed coat fragments, grass, juts and human hairs etc. This practice must raise our overall country Export and quality of cotton yarn & Fabrics must improve as per World Export Market. Thus, Pakistan is striving to produce clean cotton and setting of modern marketing system.

PROMOTION OF CLEAN COTTON

Pakistan is the largest cotton producer having around 13.00 ml bales of 170 kg and holds 10% share of the total global production. Due to low quality, she gets 10% lower price. On the other hand contamination causes 1 billion US Dollar loss annually. Through planning and clean cotton production export of Rs.17.00 billion could be achieved. Government of Pakistan being well aware of the problem and for the last few years in consultation with all the stake holders of cotton trade endeavoring to combat the problem and has successfully experimented the production of contamination free cotton in district Rahim Yar Khan. In view of this;

- It was agreed to produce minimum 100,000 bales of clean grade-II cotton. Punjab (70,000) and Sindh (30,000). These bales will contain trash not more than 5.6%; contamination not more than 2.5 gm per bale and moisture 8.5% maximum.
- 20 Ginning factories will be selected to produce maximum 5000 bales of clean cotton. On this basis the total number of factories to be selected in Punjab will be 14 and 6 in Sindh.
- Factories may be selected from the districts where contamination levels are highest. As such districts like Rahim Yar Khan, Bahawalpur, Lodhran, Ghotki and Sanghar may not be considered as the contamination level in these districts is low.
- Production of the above 100,000 bales would require approximately 1.4mmds of clean grade-II phutti. A premium of **Rs. 70.00 million** would therefore be required for payment to growers/suppliers @ Rs. 50/md of phutti. The Provincial Governments will share the payment of premium to the growers upto 50% with the Fedral Government.

Federal	Rs.35.000 Million
Punjab	Rs.24.50 Million
Sindh	Rs.10.5 Million
Total	Rs.70.00 Million

Steps taken by the Government

1. Selection of 22 cotton ginning factories
2. Training of Growers for clean picking, storage and transportation of seed cotton.
3. Appointment of 2 Classers per Factory by Pakistan Cotton Standard Institution (PCSI).
4. Appointment of one Agricultural Officers/Cotton Inspectors for every selected factory as over all Incharge of the Programme.
5. Payment of Growers @ Rs. 50/- per maund extra for clean seed cotton.
6. Purchase of unsold clean cotton bales by TCP.

Role of Agricultural Marketing

For promotion of clean cotton, Agriculture Marketing, Wing of Agriculture Department is playing a pivotal role and is undertaking following activities;

- Daily announcement of rates of seed cotton by market committee concerned.
- Cleaning of the Markets in cotton areas
- Cleanliness, repair/construction of platforms in Mandies by the concerned market committee.
- Printing and distribution of brochures among the cotton growers & traders for creating awareness.
- Construction of separate, elevated platform.
- Provision of Cotton Pallies and Tarpals to ginning factories for cotton growers.

It shows a great scope/opportunity of making investment in the textile field because every activity is completely independent in itself one can enter into this field at any stage of activity starting from its processing to ultimate finished products. As much value you add to cotton by making its finished goods, that much profit you will make. Many Multinational Companies/ Brands are getting their products prepared from Pakistan, which are being sold through out the world and many more are planning to reap the benefits of this opportunity.

Agricultural Marketing Government of the Punjab

INTRODUCTION

The Agricultural Produce Markets Act. 1939 was promulgated on the recommendation of Royal Commission constituted by the British India Government during 1927. The sole-intention of the act was to regulate the Agri. Business so as to do away the evils and vices which ultimately tended to the deprivation of the grower form his fair return of his produce. The market committees were established under the provisions of above said act which were assigned noble pursuit i.e. Safeguard the interest of grower.

The Act of 1939was replaced by the Punjab Local Government Act, 1975, but for legal and technical reasons, the provisions of the act could not be enforced. Later, the relevant provisions of the Punjab Local Government Act, 1975 were replaced by the Punjab Agricultural Produce Markets Ordinance (PAPMO), 1978 and rules were framed during 1979.

VISION OF AGRICULTURAL MARKETING:

To increase profitably of the growers through modern marketing infrastructure, competitive marketing environment and entrepreneurial capacity building

FUNCTION:

- Managing 325 Agricultural Markets in Punjab including Grain, Fruit & Vegetable and Feeder Markets
- Supervision of 133 Market Committees in Punjab
- Establishment of New Markets
- Collection and dissemination of marketing information
- Release of Daily Price Bulleting through Electronic & other Media
- Economics of Crop and Price analysis report on various Crops
- Survey and studies
- Monthly Price and Corps situation report on various Crops
- Supervision of Sunday/Friday Bazaars
- Supervision of Ramzan/Sasta Bazaars

MARKET COMMITTEES IN PUNJAB

Market committees is a corporate body established under section 7 of the PAPMO, 1978, Exercising control on sale/purchease of Agricultural produce in its area notified under section 4 of the said Ordinance

DUTIES OF MARKET COMMITTEES

To enforce the Provisions of Ordinance and Rules
To Establish Agricultural Produce Markets
Collection and dissemination of prices of agricultural produce
Coordination with District Administration for organizing Sunday/Friday Bazaars/Ramzan/Sasta

INTIATIVES FOR IMPROVEMENT OF AGRICULTURAL MARKETING

A separate ministry of agricultural marketing has been created
A CORPORATE BODY "Punjab AgriMarketing Company" (PAMCO) has bee established for improvement of agricultural marketing with private sector
Participation
Agricultural Marketing Information System (MIS) has been established, Website www.punjabagmarket.info has been launched
Toll free No.0800-51111 has been installed
Establishing the markets under private sector allowed for healthy competition with public sector
Existing Agricultural Produce Markets Laws are being revamped
A Task Force has been constituted to guide formulation of policies for improvement of Agricultural Marketing
Creating awareness and compliance of WTO agreement
Infrastructure in existing 30 markets in being upgraded
Cold chain is being established to maintain quality of exportable perishable commodities in producing area under PAMCO
Training programme for growers, commission agents and other dealing in agricultural produce especially fruit & Vegetable being arranged
Importers and potential investors form other countries are being encouraged to boost export and enhance investment
Workshops, seminars, conferences to create awareness about the Agricultural Marketing System
Agreement/protocols and MOUs on Phytosanitary Requirements for Export of Rice, Citrus and Mango have been signed between MINFAL and AQSIQ.