



Agribusiness

Policy and institutional reforms to improve horticultural markets in Pakistan

Overview

Pakistan's horticulture industry is one of the largest in the world with huge growth potential in both domestic and export markets.

The country produces about 13.7 million tonnes of fruits and vegetables each year. This contributes to nearly a quarter of national food production and serves as a major source of nutrition for the population. The horticulture industry is dominated by smallholder farmers, with strong participation of women in production and processing. But low productivity, poor quality, high wastage and low exports are keeping the industry from reaching its full potential.

This 'demand driven' research project has emerged out of priorities identified by Pakistani policy-makers and industry representatives. These priorities are based on the wide consensus in Pakistan that horticultural marketing system inefficiencies are a major impediment for exploiting domestic and global market opportunities and achieving inclusive growth, food security, better nutrition and poverty alleviation.

There is relatively little rigorous research of existing marketing systems or serious investigation of viable alternatives that offer a robust evidence base for policy reform. This project aims to address that gap.



KEY FACTS

ACIAR Project No. ADP/2014/043

Duration: June 2016 to December 2019 (3 years)

Target areas: Pakistan

Budget: A\$1,509,020

Project Leaders

Prof Jeffrey LaFrance and Prof Sisira Jayasuriya
Monash University.

Key partners

- University of Queensland
- Macquarie University
- Pakistan Agricultural Research Council
- Pakistan Agricultural Coalition (PAC)
- Sindh Agriculture University
- Quaid-e-Azam University
- University of Agriculture, Faisalabad
- Arid Agriculture University, Rawalpindi
- Peking University

ACIAR Research Program Manager

Dr Howard Hall

Objective

The project's overall objective is to design practicable marketing policy reforms to improve producers' and consumers' welfare, with particular attention to gender and poverty dimensions.

The project's specific objectives are to:

- Investigate the main features of existing marketing systems, including the role of policy, regulatory and institutional factors.
- Assess domestic and global (including China) market potential.
- Identify and assess extent of, and main factors contributing to, market inefficiency and low exports, and evaluate costs of inefficiency.
- Identify reform options, analyse their efficiency and distributional impacts, and formulate and disseminate a set of concrete, practical recommendations for policy action.

Expected scientific results

- A rigorous understanding of the challenges and constraints facing Pakistan's horticultural marketing system in the context of rural transformation, urbanisation and globalisation.
- Methodological contributions to the modelling and analysis of smallholder marketing systems in developing countries, incorporating gender and poverty dimensions.
- New insights into how marketing systems can be modernised to benefit small farmers and traders, including how Islamic finance systems can be utilised effectively to provide needed credit, enabling farmers to access distant markets and acquire needed information and technologies.
- Linkages with Pakistan's leading universities, international development agencies and government policy agencies to enhance the scientific impact of the project.

Expected outcomes

- Improved market efficiency leading to smaller marketing margins, higher producer prices, lower consumer prices, better quality, lower wastage and higher exports.
- Stronger incentives for private and public investments to upgrade productivity, processing and storage, and improve quality.
- A more resilient horticultural marketing system that can underpin and complement other strategies to improve overall horticultural sector performance to provide higher producer incomes, reduced supply and price volatility, and better nutrition outcomes.

