



Pakistan: Punjab Basmati Rice Value Chain

Project Name	Punjab Basmati Rice Value Chain				
Project Number	47166-001				
Country	Pakistan				
Project Status	Active				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">TA 8578-PAK: Punjab Basmati Rice Value Chain</td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 1.00 million</td> </tr> </table>	TA 8578-PAK: Punjab Basmati Rice Value Chain		Technical Assistance Special Fund	US\$ 1.00 million
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Technical Assistance Special Fund	US\$ 1.00 million				
Strategic Agendas	Inclusive economic growth				
Drivers of Change	Governance and capacity development Private sector development				
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural production				
Gender Equity and Mainstreaming					
Description	<p>This technical assistance (TA) is the outcome of wide-ranging stakeholder consultation with the Government of Pakistan and Punjab government agencies, public and private agriculture research institutions, basmati rice farmers, traders, exporters, private associations, and the International Rice Research Institute (IRRI).</p> <p>Basmati rice _ famous for its aroma, long grain, better cooking and eating quality _ is a leading foreign exchange earners of Pakistan, which captures more than two-thirds of the world's basmati production. In 2012, Pakistan earned about \$1 billion from basmati exports of 1.5 million tons. Basmati is grown mainly in Pakistan's Punjab province. In fiscal year (FY) 2012, 65% of Punjab's total rice area, or 1.1 million hectare, was devoted to basmati with a production of about 2 million tons.</p> <p>The country's competitive edge in the basmati world market, however, has been eroding in the recent years because of productivity and quality constraints. Historically, Pakistan has been the world's leading and major supplier of basmati rice. During the period July_December 2012, basmati exports declined by 31% (from 349,970 tons to 239,765 tons) compared to the same period in the previous years. This came after India lifted a ban on its rice exports in 2012 and sold the commodity at a price lower than Pakistan's _ about \$100 cheaper per ton against Pakistan's \$1,100-1,150 per ton. Meanwhile, demand for basmati has been increasing worldwide. Pakistan's basmati value chain needs to be strengthened to meet rising international demand and maintain its premier lead status.</p> <p>The major bottleneck in Pakistan's basmati value chain is at the upstream segment, or farm production. High production costs and declining yield of current basmati varieties are making its cultivation a less profitable venture to Punjab rice farmers, resulting in some farmers shifting to non-basmati varieties for better yields.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>Overcoming the major problems affecting Punjab's basmati rice is urgently needed for Pakistan to regain and sustain its competitiveness in the world market, improve the subsector's foreign exchange earnings, and ensure higher incomes for basmati farmers and other stakeholders in the value chain. The TA will focus on measures that meet the following criteria (i) tangible results achievable within 2_3 years; (ii) complementing and adding value to ongoing activities of public and private sector stakeholders; and (iii) having the potential to significantly increase the yields of basmati rice, improve the efficiency of the upstream segment of the basmati value chain, and integrate the upstream more effectively with the midstream and downstream segments of the value chain.</p>				
Impact	Higher incomes of basmati rice farmers in Punjab and higher export earnings from basmati				

Project Outcome

Description of Outcome	Improved basmati rice productivity and quality in TA sites
Progress Toward Outcome	The TA completion date was extended to 31 December 2017; the implementation has been expediting through planned activities.

Implementation Progress

Description of Project Outputs	1. Improved basmati seed varieties 2. Improved farming and postharvest practices 3. Improved research and service capabilities
Status of Implementation Progress (Outputs, Activities, and Issues)	A TA review and Punjab Basmati rice value chain workshop were held in Lahore in February 2017 that were well received by the participants of concerned stakeholders. A group of experts is being recruited to work with participating rice research centers and the EA. It is expected that good progress will be made and expected outputs will be delivered by the TA completion.
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design	ADB fielded a TA consultation mission during 26 February_5 March 2013 to identify key challenges and opportunities for basmati rice value chain development in Punjab, and a fact-finding mission during 18_23 August 2013 to finalize the TA design and its implementation arrangements. The missions consulted and interacted with the Economic Affairs Division; Pakistan Agricultural Research Council; National Agricultural Research Center; Planning and Development Department, Punjab; Finance Department, Punjab; Department of Agriculture, Punjab; Punjab Agricultural Research Board; Rice Research Institute, Kala Shah Kaku; National Institute for Biotechnology and Genetic Engineering; Nuclear Institute for Agriculture & Biology; basmati rice farmers, traders, exporters, private associations; the International Rice Research Institute and development partners.
During Project Implementation	Punjab Agricultural Research Board; Rice Research Institute, Kala Shah Kaku; National Institute for Biotechnology and Genetic Engineering; Nuclear Institute for Agriculture & Biology; basmati rice farmers; private service providers; and the International Rice Research Institute will actively participate in the TA implementation. Pakistan Agricultural Research Council will support TA evaluation. Economic Affairs Division; Pakistan Agricultural Research Council; National Agricultural Research Center; Finance Department, Punjab; and Department of Agriculture, Punjab will be consulted for policy issues.

Business Opportunities

Consulting Services	The TA requires 24 person-months of international consulting services on plant breeding, biotechnology, and agriculture engineering, and 27 person-months of national consulting services on TA coordination support. ADB will engage IRRI in providing the international consulting services using single source selection because of IRRI's long track record and internationally recognized research, training, and knowledge transfer works in developing new rice varieties and rice crop management techniques that help rice farmers improve the yield and quality of their rice in an environmentally sustainable way. Single source selection is further justified since the TA requires the provision of specific germplasm from IRRI to Pakistan. ADB will engage the national TA coordinator on an individual basis.
Procurement	N/A

Responsible Staff

Responsible ADB Officer	Sato, Noriko
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, CWRD
Executing Agencies	<i>Punjab Agricultural Research Board 3rd Floor, ZTBL Building, 47 Mall Road, Lahore, Pakistan</i>

Timetable

Concept Clearance	10 May 2013
Fact Finding	18 Aug 2013 to 23 Aug 2013
MRM	-
Approval	13 Dec 2013
Last Review Mission	-

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
13 Dec 2013	06 Mar 2014	06 Mar 2014	31 Dec 2016	31 Dec 2017	-

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,000,000.00	0.00	200,000.00	0.00	0.00	0.00	1,200,000.00	13 Dec 2013	456,176.98

Project Page <https://www.adb.org/projects/47166-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=47166-001>

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