

OPPORTUNITIES FOR SMEs IN AGRO-BASED SECTOR

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Resources of Agro-based sector

- Agriculture contributes about 1/4th to GDP in Pakistan.
- Over 70% of population directly or indirectly depend on agriculture sector
- Pakistan has vast crop production base with 35.23 million hectares of agriculture land

- Vast un-utilized land available for cultivation
- All weathers and all kinds of are soils available to produce different crops round the year
- Pakistan produces all types of cereal, fibre, sugar, edible oil, legume, fodder, vegetable, fruit, condiment, floriculture, medicinal and industrial crops

- There is tremendous potential for increasing yield and quality of these crops
- There is vast scope for value addition and bye- products of these crops
- Besides present crops, there is potential for new, unexplored and exotic commercial & industrial crops
- There is local as well as international demand for agro-based products

- There is comparatively cheaper labour force in the country
- Vast member of unemployed and under employed youth available for productive use
- Advantage of proximity to international markets
- Agro-based sector can guarantee sustained social & economic development

- Besides crops, there is vast base for development of livestock, poultry and fisheries as well
- All this demonstrates potential for development of SMEs in agro-based industries and trade
- SMEs can play key role in exploiting these resources in agro-based sector

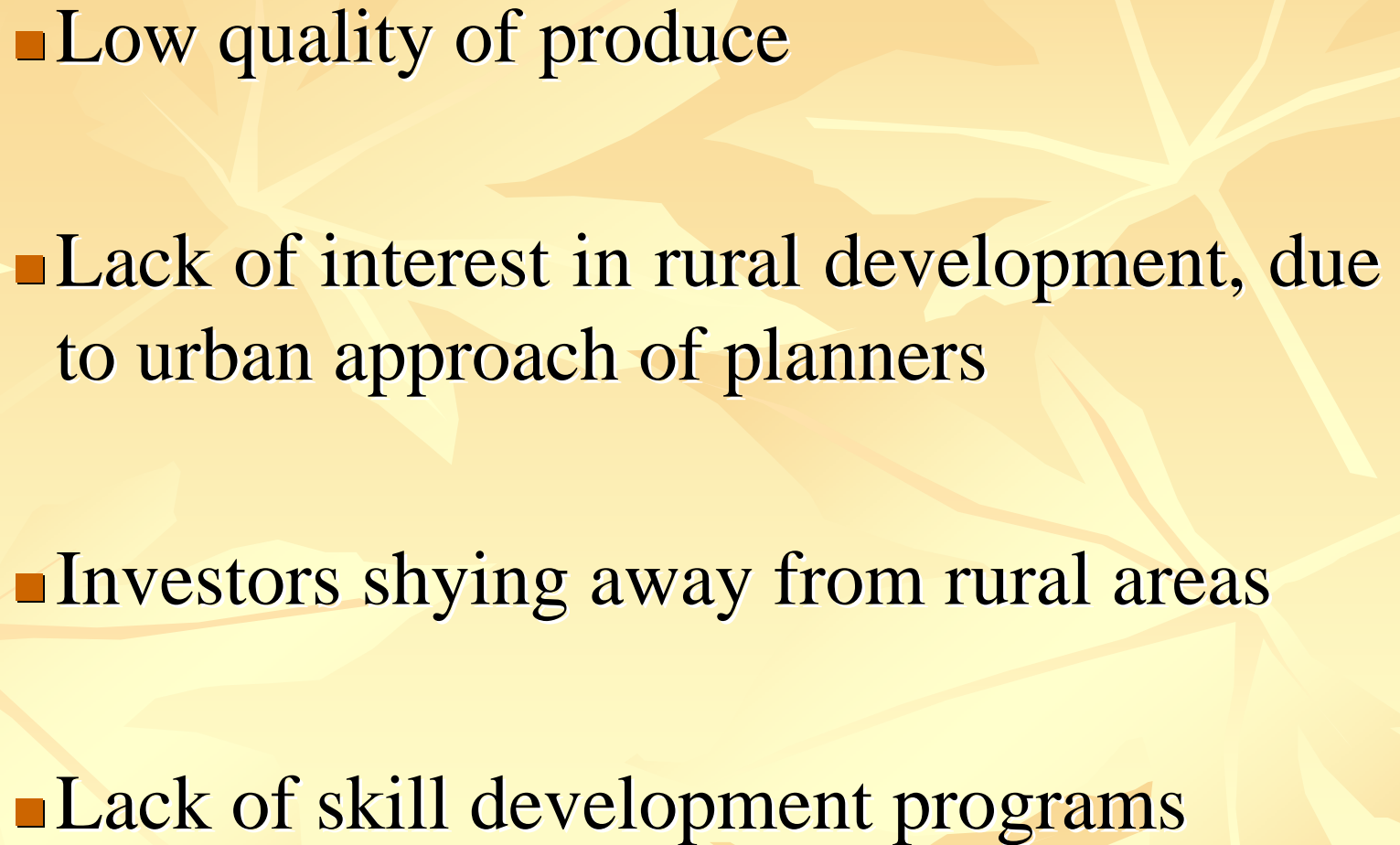
Benefits of agro-based sector :

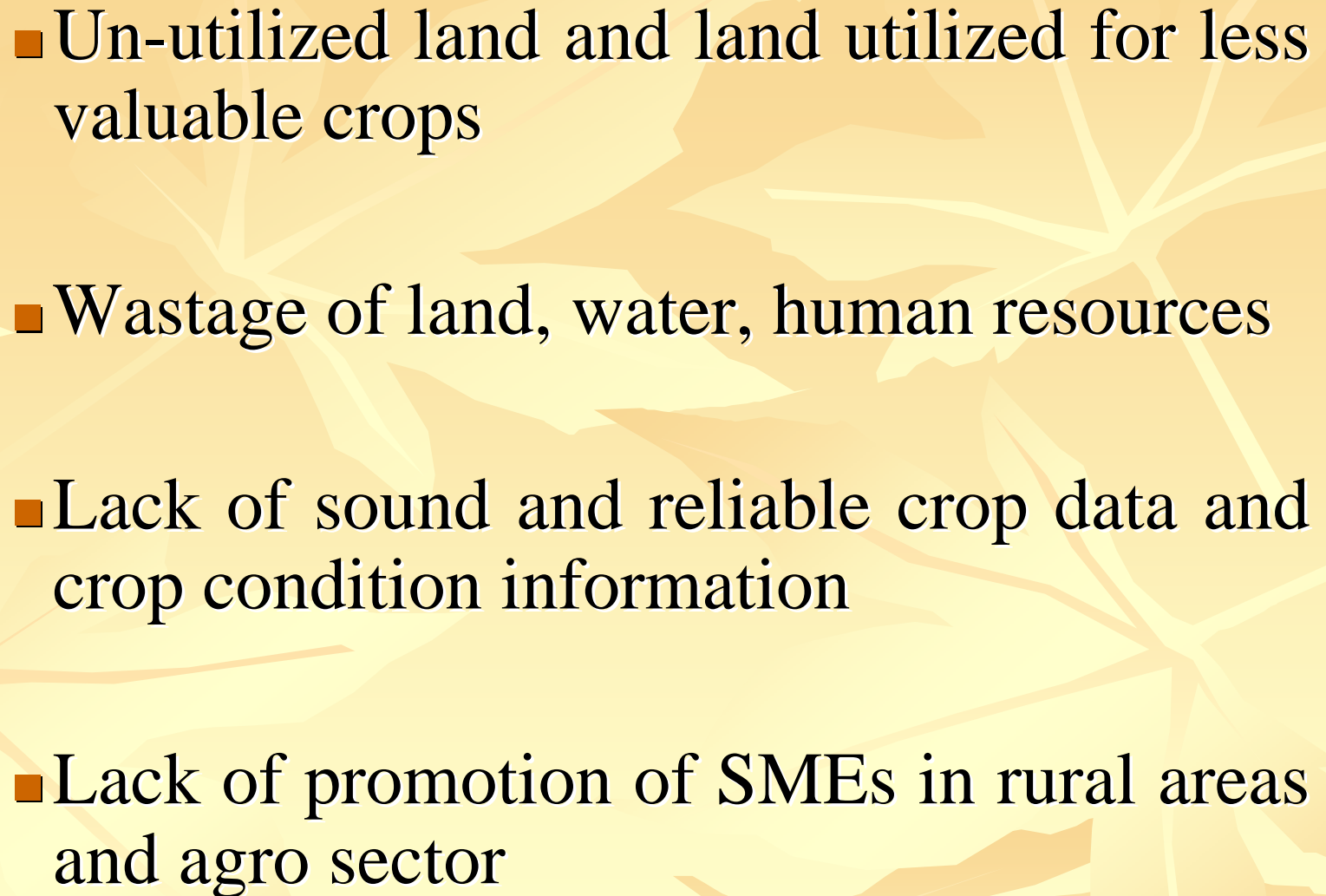
- Employment generation
- Poverty alleviation
- Exports
- Growth in industrial & service sector
- Rural development & less migration
- Overall social- economic improvement
- Rural prosperity and law & order


Issue & Constraints

- Pakistan has not been able to fully exploit above agro resources and agro-based sector remains under-development
- SMEs have not been promoted in agro sector on large scale
- There is no separate agro industrial and trade policy
- Lack of effective coordination between various ministries, departments, governments and organizations

- Parallel and duplicate plans and programs by various organizations
- Inadequate basic infrastructure like roads, railways specialized transport, go-downs, cold storage
- Law and order, particularly in rural areas
- Low yields

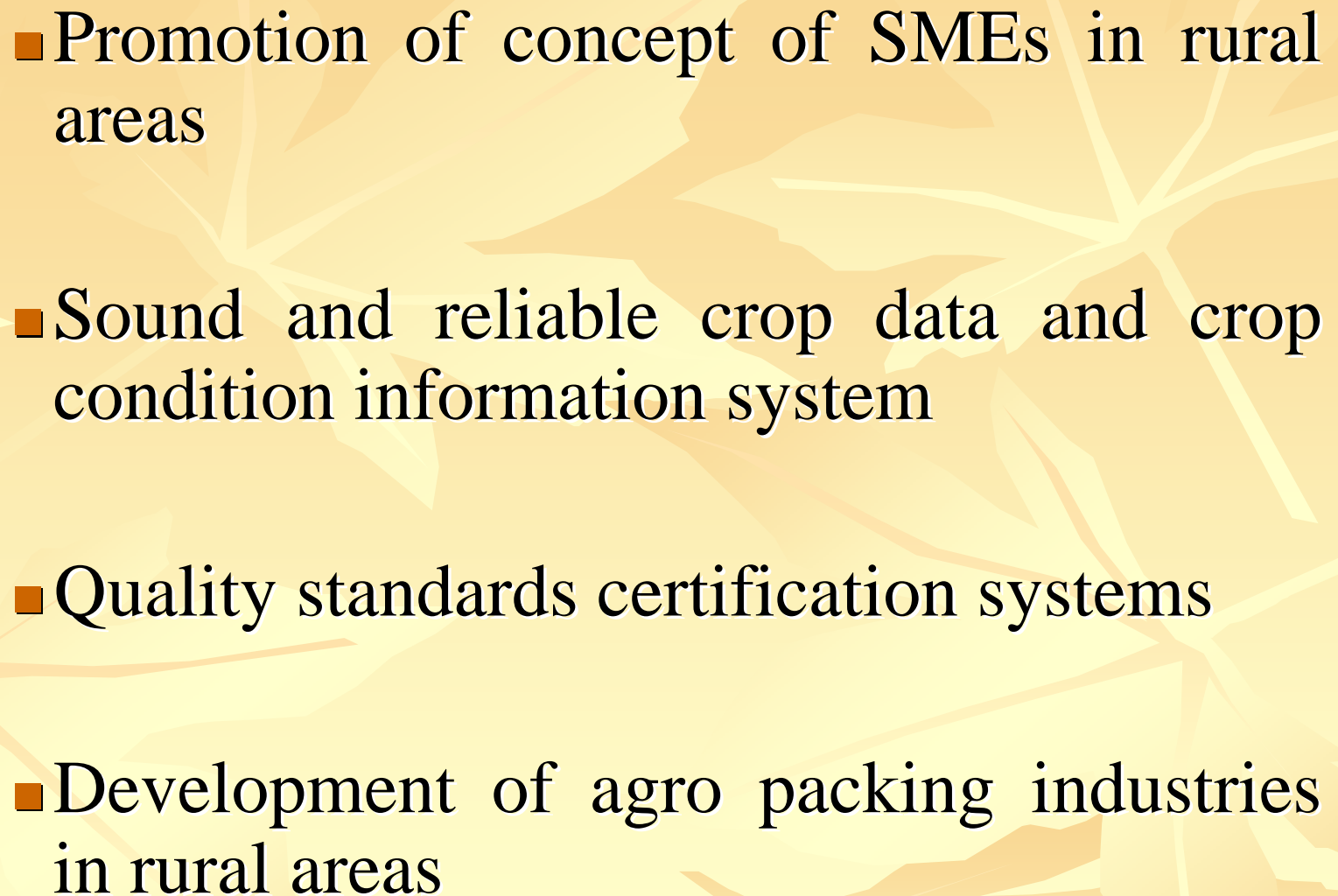
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- Low quality of produce
 - Lack of interest in rural development, due to urban approach of planners
 - Investors shying away from rural areas
 - Lack of skill development programs

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- Un-utilized land and land utilized for less valuable crops
 - Wastage of land, water, human resources
 - Lack of sound and reliable crop data and crop condition information
 - Lack of promotion of SMEs in rural areas and agro sector

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- Harvest & post harvest losses ranging upto 40%
 - Lack of awareness of SME investors about multi dimensional potential of agro based sector

Action Plan

- SMEDA should be expanded to rural areas with offices in every district & with strong agro-based development capability and expertise
- Up gradation of agro-industrial machinery
- Interaction between farm producers and industrialist / traders / exporters
- Encouragement and facilitation of new small and medium entrepreneurs with agriculture background for SMEs

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- Promotion of concept of SMEs in rural areas
 - Sound and reliable crop data and crop condition information system
 - Quality standards certification systems
 - Development of agro packing industries in rural areas

- Mini sugar mills may also be promoted
- Small and medium canning industry may be set up in rural areas
- Cooperative farming may be promoted
- Skill development centers for agro-based sector may be setup at district level

- Establishment of organized inputs and marketing centers in rural areas
- Growing for Export may be promoted
- Growing for commercial value addition
- Contract farming for quality and assured production
- Encouragement and assistance to agriculture graduates for setting up SEMs in rural areas

- Creation of favorable environment for small and medium enterprises in agro-base sector
- Regular & effective coordination between various organizations & stakeholders
- Parallel projects & duplication of work by organizations be discouraged
- Public- Private partnership be promoted
- Special Fund for development of SMEs in agro sector

Infrastructure

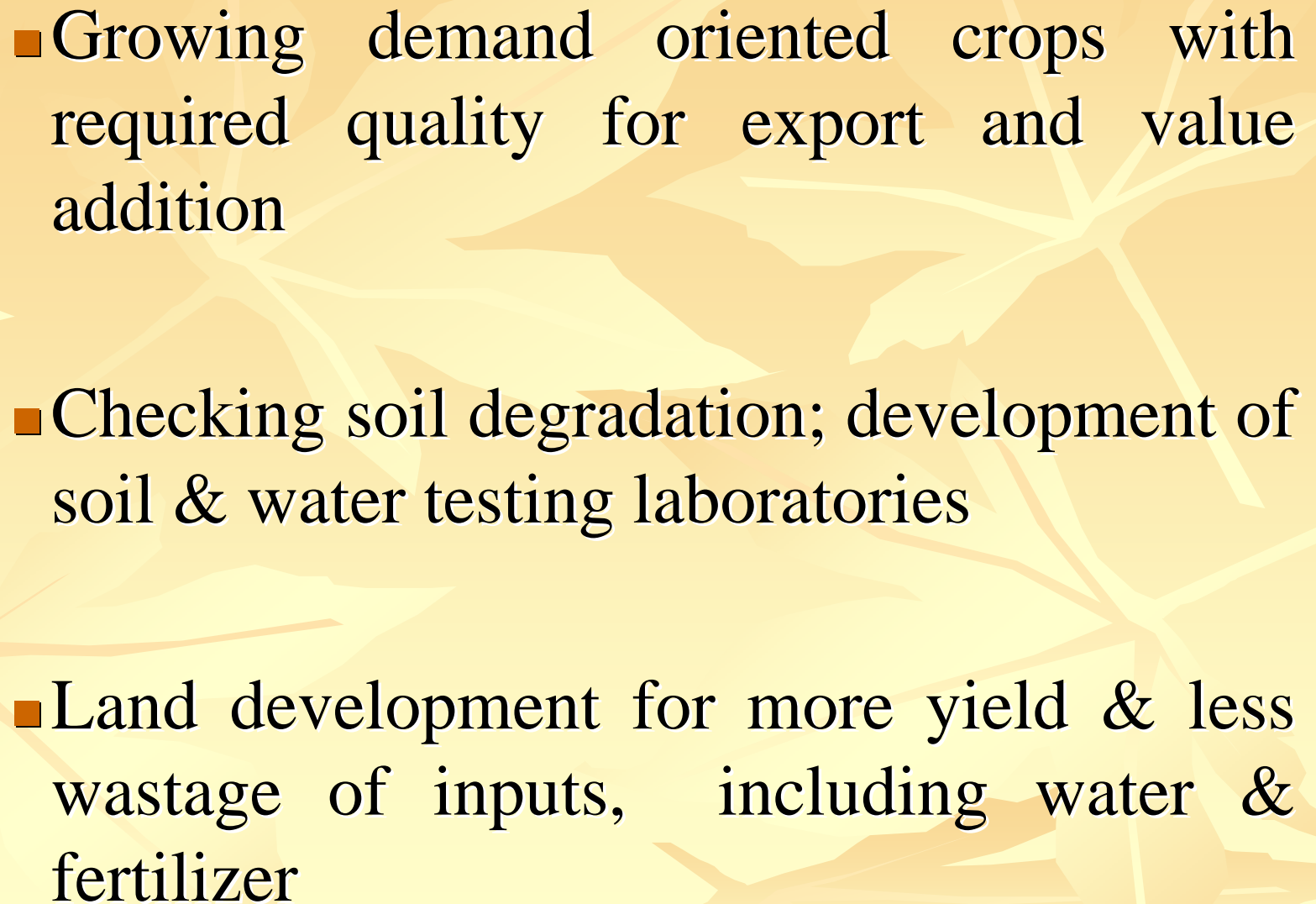
- Development of cool chain which include storage, transportation, and distribution
- Cold storage network across the country
- Temperature control rail, road & air transports
- Promotion of medium size storages

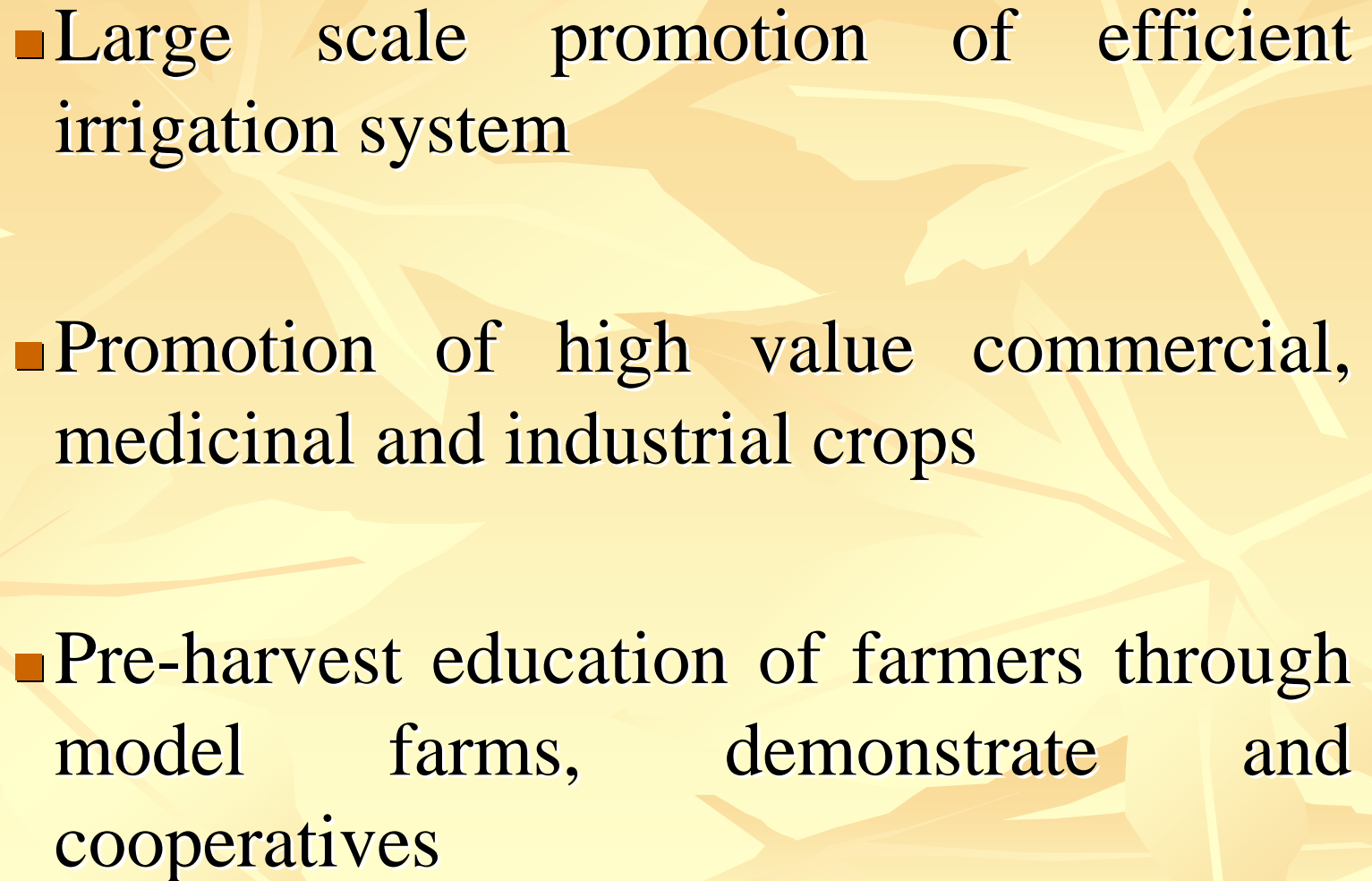
Agro-based financing

- Banking sector should come in a big way to develop the much unexploited agro-based sector with special packages/products
- Long & medium term project financing by banks
- Specialized credit system for agro-based sector be introduced
- More focus on agro-based sector by commercial banks

Agri. Product Development

- High yielding commercial varieties of different crops
- Promotion of hybrid and GM technology for evolving high yielding and high quality seed
- Preventing harvest & post harvest losses (21% to 37% losses at present)

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- Growing demand oriented crops with required quality for export and value addition
 - Checking soil degradation; development of soil & water testing laboratories
 - Land development for more yield & less wastage of inputs, including water & fertilizer

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- Large scale promotion of efficient irrigation system
 - Promotion of high value commercial, medicinal and industrial crops
 - Pre-harvest education of farmers through model farms, demonstrate and cooperatives

SOME OF POTENTIAL AREAS OF INVESTMENT FOR SMEs IN SINDH PROVINCE

- Mango harvesting, processing, packing, cool chain including transport, storage and export
- Rice processing, packing and export
- Sugarcane: molasses (alcohol production, ethanol production), baggasse, filter-cake and wax
- Dates drying, processing, packing etc

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- Vegetables & Fruits dehydration
 - Guava handling, processing and drying
 - Fruit and vegetable juices, processing, frozen and canning industry
 - Herb production, processing and export

- Organic vegetable production
- Greenhouse flower production, cut-flowers and other ornamental plants
- Certified fruit nurseries
- Vegetable & other crops seed production
- Hybrid seed production of onion, vegetables, sunflower, maize & other crops

- Agro Export Processing Zone
- Tomato, guava, mango juices, pulp & paste
- New Agriculture Markets
- Cold Storage and Refrigerated Transportation
- Essential Oils Extraction Industry

The background features a pattern of stylized, overlapping autumn leaves in various shades of yellow and orange. The leaves are rendered in a flat, graphic style with visible veins. The overall color palette is warm and monochromatic, ranging from light yellow to a soft, muted orange.

Thank you