

An Assessment of Wheat Procurement Issues in Jafferabad District of Balochistan

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Abstract: Exploitation of farmers' profit margins by middlemen is well documented and reported by various studies. In this regard, public sector initiated support price and procurement policies especially for wheat. Presently, Pakistan Agricultural Storage and Services Corporation (PASSCO) is a key procurement agency in Pakistan. It has been reported that in certain cases, PASSCO do not reach directly to farmers for the purchase of wheat. Hence, the role of middlemen in procurement of wheat is once again emerging and leaving low profit margins for the farmers. In this regard, this study aimed to assess wheat procurement issues in Jafferabad district of Balochistan. Quite a large majority of the respondents were aware about seed dealers (69.4%), whole sellers (66.6%) and commission agents (62.5%). On the other hand, majority (55.5%) of the respondents were not aware about procurement centers of PASSCO. Price variation by various wheat procurement agencies was observed from Rs. 22.50kg⁻¹ offered by seed dealer to Rs. 31.25 kg⁻¹ offered by PASSCO. One fourth (25.0%) of the respondents opted "lack availability of gunny bags" as one of the top most problem in selling wheat while 20.8% respondents reported for timely availability (especially during harvesting season) of gunny bags as a serious problem. Lack of coordination was reported by 13.8% while the same proportion of the respondents was of the opinion "delay in announcement of the support price" is one of the most important issues. Majority (94.44%) of the farmers suggested that the transport facilities should be provided to farming community for transport of their wheat from farm to market.

Keywords: Wheat Procurement, PASSCO, Support Price.

1. INTRODUCTION

1.1. Background Include Many References

In Pakistan wheat (*Triticum aestivum*) name is marketed through government or through the involvement of the middleman [1]. Wheat production has been suffering from various problems, such as shortage of irrigation water, low yields, traditional methods of farming, increase in the input prices, shortage of good quality key inputs and less use of modern technology in this sector. The main problem regarding wheat shortage is the poor marketing of wheat. Despite the importance of wheat in agricultural sector in the national economy, there is a wide gap between food supply and demand due to low performance of agriculture [2]. In Pakistan the time during which the wheat production is low, farmers suffered heavy losses due to inadequate marketing facilities [3].

Government wheat policy in Pakistan attempts to balance competing interests of producers and consumers. On the production side, policy is aimed at increasing wheat productivity (yields) and output, as well as supporting farmer incomes. The government of Pakistan necessary arrangements and instruct to the

PASCO authority to purchase wheat crop from the farmers as the committed at the time of sowing that the crop will purchase from the doorstep of the small farmer. The ministry of food, Govt. of Balochistan, and Balochistan seed corporation have to make necessary arrangements to mature their commitment for purchase of wheat crop, already makes at the time of sowing of wheat crop. Domestic procurement quantities and prices are the major instruments for spurring domestic production and improving wheat farmers' incomes [4].

The national procurement price and procurement quantity targets are set at the federal level, in consultation with provincial governments, though the implementation of procurement policy is the responsibility of provincial governments and PASSCO (Pakistan Agricultural Storage and Supplies Corporation). Likewise, sales of government wheat, almost exclusively to flour mills on a quota basis are largely the responsibility of provincial governments. Balochistan Government's policies issued to the PASSCO and Food department regarding wheat marketing. The basic purpose of these policies is to achieve the target of wheat and to make ensure the farmer's better income [5].

1.2. Problem Statement

Exploitation of farmers' profit margins by middlemen is well documented and reported by various studies [6].

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In this regard, public sector initiated support price and procurement policies especially for wheat. Presently, Pakistan Agricultural Storage and Services Corporation (PASSCO) is a key procurement agency in Pakistan [7]

It has been reported that in certain cases, PASSCO do not reach directly to farmers for the purchase of wheat. Hence, the role of middlemen in procurement of wheat is once again emerging and leaving low profit margins for the farmers [8].

In this regard, this study aimed to assess wheat procurement issues in Jaffarabad district of Balochistan.

1.3. Objectives

1. To identify key players of wheat procurement.
2. To estimate prices offered by various wheat procurement agencies.
3. To assess farmers' problems regarding sale of wheat.
4. To suggest recommendation for wheat procurements.

2. METHODOLOGY

2.1. Research Design

Research design used in this study was descriptive survey. A descriptive survey design is appropriate for obtaining people's perceptions on social issues and social facts concerning the current status of phenomena and/or for describing the nature of existing conditions in a situation [9]. The descriptive survey design was selected because the primary purpose of the present study was to determine the existing nature, strengths and weaknesses of wheat procurement in Jaffarabad district of Balochistan

2.2. Population

Data were collected from randomly growers of wheat of Jaffarabad district of Balochistan, Pakistan. Therefore, this study reflected all the wheat growers including landlords, own cultivators and peasants in Jaffarabad district of Balochistan Province.

2.3. Sample and Sampling Method

In all, a sample of 144 wheat growers was collected using multistage sampling method. A brief on each stage is provided as follows:

- ❖ Out of 46 union councils, Nine (9) rural union councils were selected at random.
- ❖ From each selected union council, two (2) villages were selected randomly.
- ❖ From each selected village, Four (4) farmers were selected.
- ❖ Thus making a total of (9 UCs * 18 Villages * 8 growers) 144 farmers as a sample for this study.

2.4. Development of Questionnaire

A semi Structure questionnaire was developed after intensive review of literature, informal interviews with stakeholders and consultation with the research supervisor, the co-supervisors, faculty members and the researcher associates/ colleagues, the objectives of the study and intended statistical analysis. For clarity and making the questionnaires more pertinent within the subject area, the supervisor advised to rephrase certain questions and extended suggestions which were subsequently incorporated before data collection.

2.5. Data Collection

Data were collected by the researcher using personal interview method. Although questionnaire was in English language, respondents were asked questions in local languages viz. Balochi, Siraiki and Sindhi. Researcher was competent enough to discuss the matters in the mother tongues of the respondents and to translate response in English and filled the questionnaire properly.

2.6. Data Analysis

Statistical Package for Social Sciences (SPSS) Version 20 was used to analyze the data [10]. Prior to entering data, variables were created and labelled. Descriptive statistics viz. number (frequency), percentage, minimum, maximum, mean, and standard deviation were computed and reported. Besides, qualitative information was summarized by ranking the importance of the problems.

3. RESULTS AND DISCUSSION

3.1. Age of Respondents

The collected information regarding age composition of the respondents is shown in Table 1. Table reveals that average age was 39.56 years. Distribution of the respondents showed that majority of

the respondents (46.7%) were within the age group of 18 to 35 years. One third (33.3%) sample respondents were between the age group of 36-50 years while about one fifth of the (21.30%) growers were in the age group of 51-65 years.

Table 1: Age of the Respondents

Category	Frequency	Percentage
18 to 35 years	64	44.44
36 to 50 years	48	33.33
51-65	32	22.22
Total	144	100.00
Average Age (Years)	39.56	

3.2. Educational Level

The key to agricultural development lies in proper education of farmers and their interest in the wheat cultivation. Moreover education plays an important role in the development of human behavior. The collected data regarding education level of respondents are shown in Table 2. The table indicates that 37.5% of the respondents were illiterate. Segregated data by education revealed that 29.1% of the respondents had education up-to primary level. Little more than one-fifth (22.2%) respondents had education up-to matric level while remaining 11% had education more than matriculation.

Table 2: Education Level of Respondents

Category	Frequency	Percentage
Illiterate	54	37.50
Up to primary	42	29.17
Up to Matric	32	22.22
Above Matric/specify	16	11.11
Total	144	100.00

3.3. Tenancy Status

Information about tenure type is presented in Table 3. The table shows that 34.7% of wheat growers interviewed recognized themselves as "Landlords" while one thirds of the respondents reportedly cultivated their lands themselves; hence recognized as "Owner cum tenant" while 31.94% wheat growers were "Tenants" cultivating lands of others.

Table 3: Tenant Status of Respondent

Category	Frequency	Percentage
Land lord	50	34.72
Owner cum tenant	48	33.33
Tenant	46	31.94
Total	144	100.0

3.4. Area under Cultivation

The data regarding area under cultivation is shown in Table 4. The average land cultivated was estimated at 9.8 ha. Distribution of farmers by land cultivated shows that majority (31.9%) of growers were recognized as small holding farmers (up to 4 ha), 29% of the growers reported for cultivating 4 – 8 ha. From this, it was inferred that about 60% of the growers had land under cultivation of less than 8 ha. Proportion of farmers cultivating more than 8 ha was segregated as 22, 11, 5% growers cultivating within the range of 8-16 ha, 16-32 ha, and 32-40 ha, respectively.

3.5. Area under Wheat Crop

The data regarding area under wheat cultivation is shown Table 5. The table shows that the average land under wheat crops was 7.39 ha. This implied that three-fourths (75%) of the cultivable area was reportedly cultivated wheat crop in rabiseason (cultivated in winter). Distribution of farms by wheat area cultivated revealed that 44% of the growers had an area under wheat cultivated within the range of up-to 4 ha. Little more than one fourths (26.3%) and one fifths (20.8%) of the respondents reported area under wheat cultivation with ranges of 4 -8ha and 8-16 ha followed by 5.5% (16-32ha) and 2.7% (32 – 40 ha).

Table 4: Area under Cultivation

Category	Frequency	percentage
Up to 4 hectares	46	31.94
4- 8 hectares	42	29.17
8-16 hectares	32	22.22
16-32 hectares	16	11.11
32 -40 hectares	8	5.56
Total	144	100

Average land cultivated: 9.80 hectares.

Table 5: Area under Wheat Crop

Category	Frequency	Percentage
Up to 4 hectares	64	44.44
4- 8 hectares	38	26.39
8-16 hectares	30	20.83
16-32 hectares	8	5.56
32 -40 hectares	4	2.78
Total	144	100.00

Average land under wheat Crop = 7.39.

3.6. Yield of Wheat Crop

The data regarding per hectare yield of wheat crop is shown in Table 6. The average yield per hectare was 3650 kg ha⁻¹. Distribution of respondents by wheat yield harvested revealed that majority (47.2%) of wheat growers reported that their per hectare yield of wheat was within the range of 2,000-3,500 kg ha⁻¹ while 34.72% of wheat growers reported that their per hectare yield of wheat was 3,500-5,000 kg ha⁻¹, and 18.05% of wheat growers' yield was within the range of 5,000 to 6,500 kg ha⁻¹.

Table 6: Per Hectare Yield of Wheat Crop

Category	Frequency	Percentage
2,000-3,500 kg ha ⁻¹	68	47.22
3,500-5,000kg ha ⁻¹	50	34.72
5,000 -6,500 kg ha ⁻¹	26	18.06
Total	72	100.00

Average yield = 3,650kg ha⁻¹.

3.7. Identification of Key Players Involved in Wheat Procurement

Summarized information regarding identification of key players involved in wheat procurement has been

Table 7: Identification of Key Players Involved in Wheat Procurement

S. No.	Name of Players	Yes		No		Total	
		N	%	N	%	N	%
1.	Village merchants/Vender	144	100.00	0	0.00	144	100.00
2.	Seed Dealer	100	69.44	44	30.56	144	100.00
3.	Commission agents	90	62.50	54	37.50	144	100.00
4.	Procurements center of PASSCO	64	44.44	80	55.56	144	100.00
5.	Flour Mills	144	100.00	0	0.00	144	100.00
6.	Whole Sellers	96	66.67	48	33.33	144	100.00

presented in Table 7. The table shows that all (100%) respondents pronounced village merchant/vender and flour mills for selling wheat crop. Quite a large majority of the respondents were aware about seed dealers (69.4%), whole sellers (66.6%) and commission agents (62.5%). On the other hand, majority (55.5%) of the respondents were not aware about procurement centers of PASSCO.

3.8. Wheat Price Offered by Various Agencies

Perceptions regarding prices of what offered by various agencies have been summarized in Table 8. The table shows that wheat was purchased at rate of Rs. 23.75 kg⁻¹ by village merchants, seed dealer for Rs. 22.50 kg⁻¹, commission agents for Rs. 23.13 kg⁻¹, flour mills for Rs. 25 kg⁻¹, whole sellers for Rs. 26.25 kg⁻¹ while PASSCO purchased wheat at the premium price of Rs. 31.25 kg⁻¹.

3.9. Farmers' Problems Regarding Sale of Wheat

Table 9 reveals that one fourth (25.0%) of the respondents opted "lack availability of gunny bags" as one of the top most problem in selling wheat while 20.8% respondents reported for timely availability (especially during harvesting season) of gunny bags as a serious problem. Lack of coordination was reported by 13.8% while the same proportion of the respondents was of the opinion "delay in announcement of the support price" is one of the most important issues. Little more than one tenth (11.1%) of the respondents were of the opinion that monopoly of middleman is one of the top issues in selling wheat crop. Lack of information was picked by 5.5% of the respondents under this survey.

3.10. Suggestion for Wheat Procurement

Table 10 reveals that the majority (94.44%) of the farmers suggested that the transport facilities should be

Table 8: Wheat Price Offered by Various Agencies

S. No.	Name of agency	Price (Rs. kg ⁻¹)
1.	Village merchants/Vender	23.75
2.	Seed Dealer	22.50
3.	Commission agents	23.13
4.	Procurements center of PASSCO	31.25
5.	Flour Mills	25.00
6.	Whole Sellers	26.25

Table 9: Farmers' Problems Regarding Sale of Wheat

Problem	Number	Frequency (%)
Lack Availability of gunny bags	36	25.00
Lack Timely Availability of gunny bags	30	20.83
Lack of coordination	20	13.89
Delayed in Government support price	20	13.89
Monopoly of middle /commission agents	16	11.11
Non of availability of transport facilities	14	9.72
Lack of information	8	5.56

provided to farming community for transport of their wheat from farm to market. Likewise, 90.2% of the wheat growers suggested the strong coordination should be developed between farmers, procurement agencies, food department and agriculture department for purchase of wheat at gross root level. However, 86.1% of growers suggested that gunny bags should be provided especially to small farmer for sale of their wheat. The results further showed that 76.39% of farmers suggested that announcement of support price of wheat procurement should be announced at the time of wheat sowing so that farmer can grow more wheat for food security.

4. DISCUSSION

Major conclusions of the study revealed that small holding farmers are mostly involved in agricultural

farming in district Jafferabad of Balochistan. Price fluctuations offered by various wheat procurement agencies were also observed in present study and the same are very much reflective in some previous studies. Poor farmers in Pakistan are not able to get fair prices especially in agricultural market. Lack of storage facilities was reportedly one of major reasons to sell their produce quickly for repaying high-interest loans, taken from middlemen and the dealers, and purchasing the inputs for the next cropping cycle. As a result, agricultural produce was sold at low prices. It was reported that middlemen intervention is one of the major obstacle for not having fair prices to famers. For this reason, the farmer fails to get the real price of his hard work and inputs. Small peasants are unable to access the market and get the original price of the commodity.

Table 10: Farmers' Suggestions Regarding Wheat Procurement

Suggestions	Number	(%)
Transport facilities should be farming community for transport of their wheat from farm to market.	136	94.44
Strong coordination should be developing between farmers, procurement agencies, food department and agriculture department for purchase of wheat at gross root level.	130	90.28
Farmers suggested that gunny bags should be provided at timely to the small farmer for sale of their wheat	124	86.11
Farmers suggest that announcement of support price of wheat procurement should be announce at the time of wheat sowing so farmer can grow more wheat for food security.	110	76.39

5. CONCLUSION AND RECOMMENDATIONS

The main problem regarding wheat shortage is the poor marketing system of wheat since about one-third of the wheat produced does not enter in wheat supply chain of the country. In remote areas of the country, this problem is much more severe and farmers cannot exploit their profits. Sample survey results revealed that the average age of respondents was 39.56 years. About 37.5% of the respondents were illiterate. The average land cultivated was estimated at 9.8 ha. The average land under wheat crops was 7.39 ha. This implied that three-fourths (75%) of the cultivable area was reportedly cultivated wheat crop in rabi season. The average yield was 3650 kg ha⁻¹. All (100%) respondents pronounced village merchant/vender and flour mills for selling wheat crop. Quite a large majority of the respondents were aware about seed dealers (69.4%), whole sellers (66.6%) and commission agents (62.5%). On the other hand, majority (55.5%) of the respondents were not aware about procurement centers of PASSCO. Wheat was purchased at rate of Rs. 23.75 kg⁻¹ by village merchants, seed dealer for Rs. 22.50 kg⁻¹, commission agents for Rs. 23.13 kg⁻¹, flour mills for Rs. 25.00 kg⁻¹, whole sellers for Rs. 26.25 kg⁻¹ while PASSCO purchased wheat at the premium price of Rs. 31.25 kg⁻¹. One fourth (25.0%) of the respondents opted "lack availability of gunny bags" as one of the top most problem in selling wheat while 20.8% respondents reported for timely availability (especially during harvesting season) of gunny bags as a serious problem. Lack of coordination was reported by 13.8% while the same proportion of the respondents was of the opinion "delay in announcement of the support price" is one of the most important issues. Majority (94.44%) of the farmers suggested that the transport facilities should be provided to farming

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