

Harnessing Pakistan's Agri-food Potential

For over 50 years, the agri-food sector has benefited from large and generous public spending and support in various forms.



Agriculture in Pakistan is a key driver of economic growth

 Makes up 40 percent of the labour force

 Contributes 23 percent of the country GDP

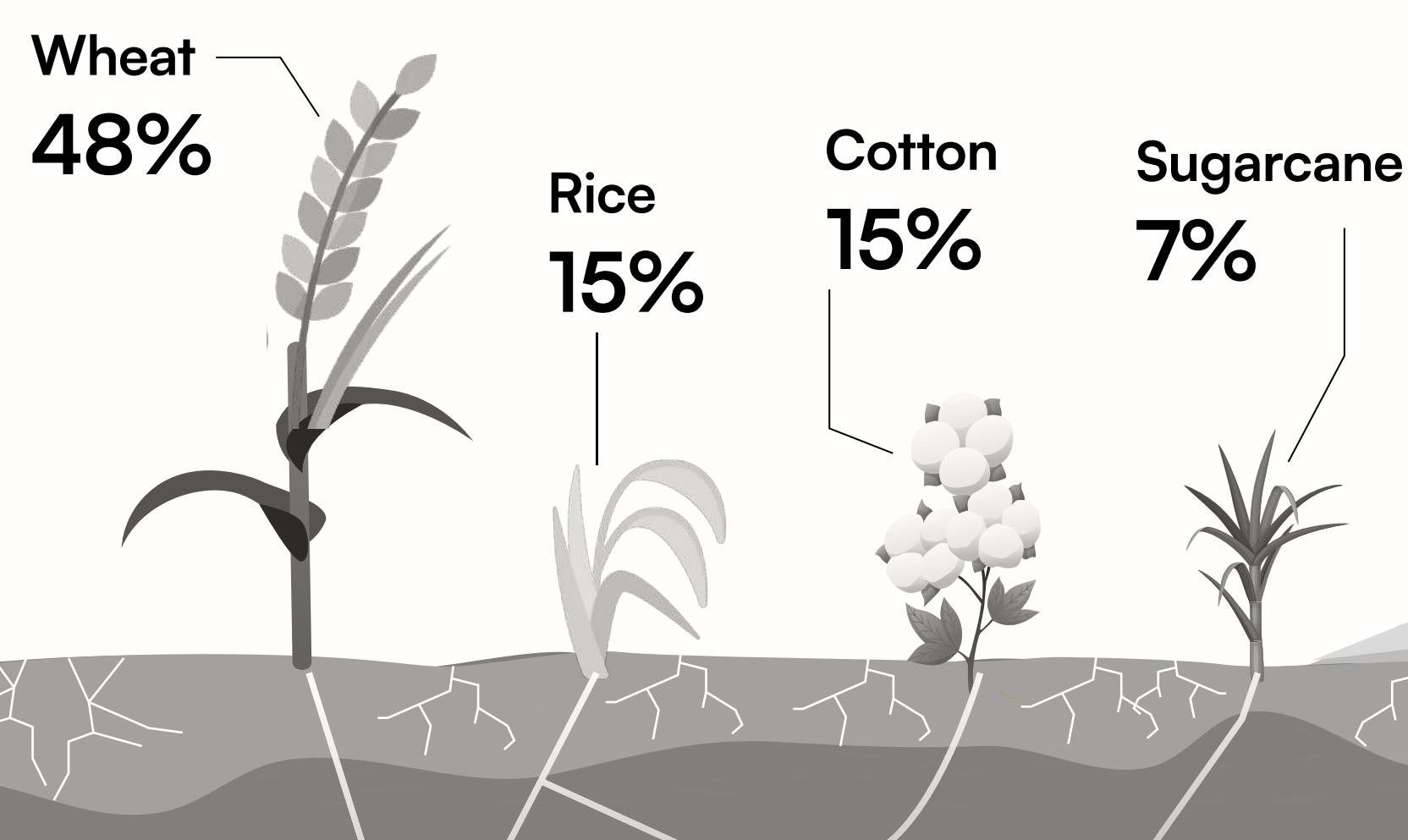
 Employs two out of three employed women

 Generates a quarter of total export earnings

However, the sector underperforms, even when assessed against its own potential, with yields of major crops 1.5 to 4.2 times below field potential.

So what is going wrong?

- 1 Public incentives are skewed towards **four crops** that use **85 percent** of the cultivated **land**.



- 2 This practice of **monocropping** prevents diversification toward higher value, more nutritious, and less resource intensive crops.

- 3 The livestock sector represents **60 percent** of the agricultural GDP, but receives **less than one percent** of public investments.

- 4 There is **mismanagement and inefficient use of water** in agriculture and a deterioration of its quality that affects everyone dependent on the resource.

How can these challenges be addressed?

- 1 Adjust the agri-food policy framework to today's market and climate realities. Provide efficient and targeted support to smallholder and medium-size farmers.

- 2 Provide incentives to stimulate diversification and adoption of climate-smart agriculture practices.

- 3 Repurpose public spending from inefficient and inequitable subsidies towards investment in neglected sectors (livestock, horticulture) and public goods (research, rural roads, etc.)

- 4 Improve water governance and stimulate a more sustainable and productive use of water in agriculture.