

## Current Wheat Policy

- There would not be any restriction on inter-district or inter-provincial movement of wheat or wheat products. There should be one wheat market in the country and no province/ area would pursue a segmented approach.
- A clear distinction would henceforth be maintained between operational and strategic reserves. Following indicative procurement targets were fixed:-

(M.Tons)

Provinces/ PASSCO	Operational reserves	Strategic reserves	Total
Punjab	2,700,000	300,000	3,000,000
Sindh	600,000	100,000	700,000
PASSCO	700,000	600,000	1,300,000
Total	4,000,000	1,000,000	5,000,000

- A distinction between guaranteed minimum price (Rs.425 per 40 kgs) and procurement price-variable and dependent on market conditions will be used to build the stocks. Procurement this year is a market led activity.
- The provincial Food Departments and PASSCO will ensure that guaranteed minimum price of Rs.425/- per 40 kgs is made available to the growers.
- While operational reserves would be released to the flour mills on need basis, strategic reserves would be used selectively to intervene in market for the purposes of price stabilization by respective provinces/PASSCO.
- The needs of deficit provinces/areas for 2007-08 have been ascertained. Their allocations from the stocks of Punjab & PASSCO would be decided in MINFAL at the end of the procurement season.
- Modalities of bank financing to the private sector including flour mills have been worked out with State Bank of Pakistan. The cash margin facility is now available to the private sector at the ratio of 90:10.
- Cascading issue prices for financial year 2007-08 would be finalized at the end of the procurement season.