

PFVA demands resumption of FTR for food security

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KARACHI: Fruit and Vegetable exporters urged the federal government for resumption of the fixed tax regime to support the farmers and ensure food security in the country.

Patron-in-Chief Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA) Waheed Ahmed has written a letter to Prime Minister Shehbaz Sharif as a follow up of meeting held with exporters earlier this month in Karachi, and highlighted issues, being faced by the fruit and vegetable exporters and also proposed its solution to enhance the exports.

In the letter to PM, Waheed Ahmed pointed out that the supply chain of Fruits and Vegetables is highly disorganized and exporters purchase Fruits & Vegetables from third parties, which mainly

don't even have their bank account. In addition, the growers, mostly smaller having agriculture land up to 25 acres don't have bank accounts. Accordingly, in any case, exporters have to pay to the growers through cash cheque, which either they get encashed themselves or pass on to someone to whom they owe payments. While, the thousands of contractual and seasonal labour, engaged for packing the export consignments of Kinnow, Mango, Onion & Potato, are also paid wages in cash. In this situation it would be impossible for the exporters to provide money trail, while submitting Income Tax returns. Therefore, PFVA has proposed that a new "advance tax" shall be abolished and the fixed tax regime shall continue to support the export sector.

He mentioned that R&D is the need of hours but totally

ignored in the budget. Pakistan's Kinnow exports significantly dropped from \$220 million to \$110 million. Sufficient funds are required for R&D to develop new varieties like seedless Kinnow, improve quality and enhance the per acre yield production.

Waheed mentioned that the change of climate is emerging as big challenge for the export sector and has already impacted on production (yield/acre) of Kinnow and mango and thus food security will assume a national issue in near future if serious efforts are not made right now. As a result of this impact, farmers will not be able to get good prices for their efforts and thus they may lose the interest in growing fruits and vegetables leading to deepening issues of food security. It is therefore imperative to have some funds in the budget for climate change, he requested.

As China has made outstanding progress in agriculture development, Pakistan must benefit from Chinese expertise in the horticulture sector to enhance the exports, he suggested.

He has informed that the Fruits & Vegetables sector has shown good progress by enhancing its exports and strongly anticipates multiplying the existing export volume to manifolds provided the government restore the fixed tax regime for the exports sector and allocate sufficient funds for R&D. The export of this sector may drop significantly if the suggestions given by the exporters are not taken seriously and prompt action initiated accordingly", he warned.

PFVA has urged the Prime Minister to take these issues on high priority and initiate necessary actions for future growth of this sector having tremendous export potential.