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THE NEW SYSTEM OF FOOD MARKETING IN PAKISTAN

by
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Preface

Sartaj Aziz was Minister of State for Food and Agriculture of the government of Pakistan from April 1984 through May 1988, and Minister for Agriculture and Rural Development during the remainder of the latter year. While serving in these capacities, he had ultimate responsibility for instituting a major reform in the prevailing system of wheat provisioning, which for almost 40 years had been premised upon the entitlement of all urban inhabitants to a fixed ration of subsidized grain per month. By the 1980s, this system had been vitiated by a series of corrupt and inefficient practices which not only prevented many urban families from taking advantage of the opportunity to buy subsidized grain of acceptable quality from ration shops, but also failed to regulate effectively the open market price of wheat.

In the following paper, prepared for the UNRISD Seminar on Food Pricing and Marketing Reform (held in Geneva in November of 1989), Aziz discusses the transition from rationing to a broader structure of regulation of the national wheat market. Reforms enacted in 1987 abolished the ration system: thus consumer subsidies were no longer administered through the modality of providing particular flour mills with fixed quantities of artificially low-priced grain, destined for a specified number of beneficiaries associated with particular ration shops. In place of the old system, the government developed a broader and less rigid programme through which it undertook to ensure that during any given season sufficient grain would be made available from official stocks or from imports, at fixed rates, to regulate consumer prices for wheat and to eliminate sharp seasonal fluctuation in the price of grain throughout the country.

This is an important example of how better use can be made of subsidies. The author is careful to point out, however, that subsidies continue to form a politically necessary part of the provisioning structure for wheat in Pakistan. In all societies, both the support price offered to farmers and the level of consumer prices are ultimately determined by the play of political forces; and in Pakistan, as in most other countries, it has not proved politically feasible to pass the entire cost of the farmgate support price for this staple grain, plus transport and handling, on to the consuming public at large, despite the clear intention on the part of the government to reduce the level of subvention within the food system.

The politics of food subsidies deserve more attention than they currently receive from those who are engaged in research on food issues. This is an area now being explored within the UNRISD programme on adjustment-related food policy, co-ordinated by Cynthia Hewitt de Alcántara.

May 1990

Dharam Ghai
Director

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In 1987, Pakistan replaced a 44-year-old system of food rationing, with a new system of food pricing and food distribution. This paper examines the defects and shortcomings of the old system and the main features of the new system. It also documents some of the practical problems and policy issues that arose in implementing the new system and the manner in which these were tackled.

The Old System

The government of Pakistan, when it came into existence in August 1947, inherited a rationing system introduced in 1943 during the Second World War. Under this system, every family living in an urban centre was entitled to draw wheat flour at the rate of 7.5 kg per month per adult and half that quantity for minors, at a fixed and subsidized price. This covered roughly two thirds of average consumption of the family. Since most rural areas were excluded from the Scheme, it was not a universal rationing system but a partial provisioning system.

The distribution of wheat through ration shops was organized on the basis of ration cards. Each family was supposed to have a ration card which indicated the number of members of the family and the quantity of flour the family could draw in a month. These cards were then registered with a particular ration depot or shop. The ration shops were again linked to particular flour mills. On the basis of the demand registered with the flour mills through the ration shops, wheat from government stocks was released to the flour mills at subsidized rates to that extent. The wheat released to the flour mills was converted into flour and made available to the ration shops at the price fixed by government in order to enable them to sell the flour to their customers at the ration price.

Occasionally, when the open market prices went up, provincial governments also released wheat in the open market at a fixed intervention price which was equal to the procurement price plus the incidental expenditure incurred by the provincial government in procuring and storing wheat. However, the releases in the open market were only about 20 per cent of the quantity sold to the designated flour mills at subsidized rates for supply of flour to the ration shops.

On the basis of ration cards issued, the system covered a population of 50 million mainly in the urban areas. The census population of the "rationed" areas was however estimated in 1986 by the Ministry of Food

and Agriculture at only 30 million. It was evident that there were a large number of bogus ration cards which provided the basis for drawing large quantities of wheat at subsidized rates which were diverted to the free market at a considerable profit.

A study carried out by the Federal Bureau of Statistics indicated that only about 28 per cent of the population in urban areas actually drew flour from ration depots. The percentage for a few rural areas, which were included in the system in later stages, was much smaller. Most people did not take the trouble to obtain ration cards to buy ration flour because its quality had deteriorated over the years. Thus, even though wheat was released on a subsidized basis to cover a population of 50 millions, hardly 8 million persons availed of this subsidy. In other words, most of the subsidy, amounting to about Rs.2,000 million in 1986 (\$130 million),* was shared by corrupt officials, mill owners and ration-shop holders.

* The average exchange rate in 1986 was Rs.16=US\$1. The exchange rate in November 1989 is Rs.21=US\$1.

Even more serious, the release of such a large quantity of ration flour at a heavily subsidized price did not have any substantial effect on the open market prices. As shown in annex 1, the average open market prices of wheat between 1976 and 1985 in various urban areas were substantially higher than the procurement prices. Moreover, as the government's intervention in the free market was limited and erratic, the free market price of wheat often exceeded the procurement price plus handling charges by a wide margin.

Different studies have shown that if government were to freely release wheat at procurement price plus incidentals without any subsidy, the retail prices of flour in the free market would be lower than those that actually prevailed in the years 1984/1985 and 1985/1986. Thus, while a part of the subsidy provided by government benefited only the small minority which purchased flour from the ration shops, the majority paid much higher prices particularly in the second half of the crop year.

It was thus evident that this scheme had outlived its utility. It involved heavy subsidies, a major portion of which did not reach the consumers. There was also no logical basis for perpetuating a two-market system forcing the consumers to purchase two thirds of their requirement in a subsidized market and one third in the open market. While such an arrangement may have had some advantage in times of war and famine, it was clearly inappropriate in a situation when the full requirements of wheat of all the people were being met. Nor was there much justification for calculating the ration of each family meticulously and regulating the flow of subsidized wheat through the flour mills on the basis of ration cards, when the administrative machinery was too corrupt and inefficient to run such a system. It was also wrong in principle to provide cheaper flour to some of the population in the urban areas while leaving the rural poor to fend for themselves in a distorted "free market".

On the other hand, it was clearly impracticable to eliminate all interventions in the marketing of wheat and flour. Wheat was the basic food of the people and its price could not be allowed to fluctuate violently. Moreover, even after self-sufficiency has been achieved in the domestic production of wheat, government would have to watch the situation from time to time so as to arrange imports to cover the consumption demand. It would also be necessary to support the price of wheat at the time of harvest so as to provide adequate incentive to growers to produce more wheat. The government thus recognized that it would have to support producer prices and maintain reserve stocks of wheat in the country in order to support growth in production and ensure price stability for the consumer. However, price stability and adequate availability of wheat could be achieved without resorting to any elaborate rationing/provisioning arrangement or a complex two-market system. Price stability could be ensured by maintaining adequate reserve stocks in the country at all times and issuing them on demand to millers and businessmen in unlimited quantities at a fixed price from government godowns throughout the country. With a large surplus milling capacity in the country, free competition should ensure better quality and relatively stable prices if adequate supply was ensured.

The New System

The new system, which can be called a "National Food Reserve Policy", was introduced from 15 April 1987. The main features of this system can be summarized as follows:

- (a) The practice of issuing rations to individual families at subsidized prices through the system of ration cards, was discontinued and replaced by a system under which wheat was issued from government reserves at a publicly announced price in unlimited quantities on demand to flour mills or businessmen.
- (b) Wheat procurement operations were to continue as a part of the government's price-support policy which announced a fixed minimum price at which farmers were free to offer wheat to government on a voluntary basis. All restrictions on wheat movement or prices were also removed.
- (c) Government would implement an active food reserve policy under which it would maintain adequate stocks at all times to meet the demand for wheat in full and still leave a closing stock of at least 1 million tons at the end of each wheat year, i.e., the end of April when the new crop starts entering the market. This would be equal to 8 per cent or one month's consumption of wheat.

Issues and Problems

Decisions about the new system and its implementation involved some difficult problems and policy options. The first major issue was the fixation of the intervention price at which wheat would be released to flour mills under the new system. The procurement price for purchasing wheat from farmers in 1987 was Rs.2.0 per kg. In addition, the handling charges to procure, bag, transport, store and release the wheat amounted to Rs.0.60 per kg. To eliminate all subsidies, the intervention price would have been Rs.2.60 per kg. But this would have been Rs.0.80 higher than the previous issue price of Rs.1.80 per kg through ration shops. Government was not ready to face the implications of a 45 per cent increase for an estimated 8 million consumers who were receiving wheat flour from the rationing system. In fact, the federal cabinet, when it first considered the subject in May 1986, postponed a final decision, and directed that a study should be carried out within three to four months to determine what percentage of urban population benefited from the rationing system and in what way this section of the population could be compensated if the rationing system was abolished. This study, which was carried out with the help of IFPRI, confirmed that the number of actual users was estimated at 9.0 million people, declining to 6.2 million in the post-harvest season (i.e., a seasonally adjusted average of 7.8 per cent of the entire population of about 100 million).

Keeping in view the importance of minimizing the impact of the new system on this segment, the government decided to fix the new intervention price of Rs.2.0 per kg which was equal to the price at which the government procured wheat from the farmers and therefore involved a subsidy of Rs.0.60 per kg or 23 per cent. In addition, several other measures were approved to compensate the affected people. These included a compensation of Rs.20 per month to all low-paid government employees and special arrangements to issue wheat and wheat flour to low-income urban consumers living in temporary settlements through government stores and fair price shops.

As a result of these measures, there was no agitation or adverse public reaction to the new system, but the new price left very little incentive for the private sector to buy wheat from the farmers at the time of harvest. Since the government was picking up the entire cost of handling wheat (Rs.0.60 per kg), it procured and released almost 5 million tons or 45 per cent of the total wheat harvest of 1987, thus increasing the total subsidy to Rs.3,000 million. But in the following two years, as the intervention price was gradually increased to Rs.2.10 and then Rs.2.35 per kg, the private flour mills began to buy a larger proportion of their needs directly from the farmers.

The second major issue concerned the impact of the new system on the flour milling industry. Pakistan has about 200 flour mills, but about one fourth are located in areas which hardly produce any wheat. They

were set up because the ration shops in every area were linked to particular flour mills which received wheat from government at a fixed price and supplied wheat flour to ration depots at a fixed price after adding Rs.0.10 per kg as milling charges. The flour mills however earned extra profit because a substantial part of subsidized wheat milled by them was sold by them in the open market at market prices.

If the new intervention price was fixed at Rs.2.60 per kg involving no subsidy, all the flour mills located in wheat deficit areas would have closed down immediately, as the flour mills in wheat growing areas (Punjab and parts of Sind) would have an edge in supplying flour to the deficit areas. The price actually fixed (Rs.2.0 per kg) however covered all the transport and handling charges for these uneconomic units and offered them a breathing space in which to diversify or relocate. There was naturally a great deal of agitation from the flour mills in growing areas, but they were pacified on the assurance that the intervention price would move closer to the market price (i.e., the procurement price plus the handling charges) in the next two to three years.

A third somewhat explosive problem was the violent reaction of 120,000 ration depot holders. A large portion of these depot holders were not actually selling ration flour but were only receiving their share of the misappropriated subsidy, in return for submitting every month false lists of those who were supposed to have drawn their rations. But many of them were also honest traders who were selling subsidized rations to their respective communities. To deprive such a large group of small traders of their livelihood became a very difficult political issue. They quickly formed a very active association and organized protest rallies and processions in all parts of the country. After many stormy meetings and tense negotiations, it was decided to offer them loans at low interest rates to start some alternate business or to diversify the merchandise sold by them. Some of them converted their rations shops into "fair price shops" to sell a wider variety of goods.

A fourth problem was the role and attitude of the provincial food departments. Since most officials of these departments were receiving a part of the misappropriated subsidy, they were not happy with the abolition of the old system. But the success of the new system was dependent on their full co-operation, particularly in issuing wheat to flour mills and businessmen at the new price. There were complaints of procedural delays in receiving payments and issuing wheat. There were allegations of adulteration of wheat through the addition of water or other materials to increase the weight by 3 or 5 per cent and, in some cases, local officials tried to create shortages by resorting to an unofficial quota system. All these complaints were dealt with very promptly and strong disciplinary action was taken against those found responsible. A Supervisory Committee was also set up in each district under the District Commissioner, including representatives of mills, traders and the food departments, to receive any complaints. These measures did not totally

eliminate all the complaints, but the new system began to be implemented from April 1987, without any major hurdles or difficulties.

Impact of the New System

The most important impact of the new system was greater stability in food prices. As can be seen from the information presented in annex 2, retail prices of wheat in the open market declined both in real and nominal terms after the new system was introduced. Even in 1988, the prices were below the 1986 level in real terms. These trends also show that food prices after the introduction of the new system became more stable throughout the country and the seasonal variations became more even. This implied that the subsidies provided by government were, for the first time, having an impact on market prices and were thus reaching the consumers.

The liberal availability of wheat in the main urban centres has also had a favourable impact on food prices in the rural areas. These areas were not included in the second half of the crop year. The data in annex 2 shows not only an overall decline in wheat prices, but a narrowing of the difference in prices in regional markets.

There was also a visible improvement in the quality of the wheat flour. Under the old system, about two thirds of all the wheat marketed came through the rationing system, and was generally adulterated. The new system created intense competition among flour mills and those selling better quality flour naturally were able to operate at full capacity. Previously, most flour mills made their profits from malpractices of the rationing system and did not pay much attention to the quality of their products.

An important requirement of the new system is adequate stocks in order to meet the full demand of flour mills and traders for wheat at the intervention price. The level of stocks and the quantity offered to government at the time of harvest will, however, depend on the gap, if any, between the procurement and the intervention price. With a bad wheat crop in 1988, and some delays in the arrival of imported wheat, the system came under temporary strain in the first quarter of 1989 but this disappeared with a good harvest in 1989.

The future viability of the new system will however depend primarily on the ability of the government to allow the intervention price to move closer to the market price. At the same time, there are pressures to increase the support of wheat, to improve incentives to farmers and to reduce the need for imports. Responding to these pressures, the government decided in October 1989 to increase the support price by 13 per cent, from Rs.2.12 per kg to Rs.2.40 per kg. The market price of wheat, after including handling charges, would therefore work out to

about Rs.3.10 per kg compared to the current intervention price of Rs.2.35 per kg. A new intervention price has to be announced by April 1990, before the new wheat crop comes in. Just to maintain the level of subsidy at the present level, next year's intervention price would have to be raised to Rs.2.63 per kg. A higher increase might be politically difficult. The initial expectation that the intervention price would move closer to market prices in two or three years would not therefore be realized and substantial subsidies will continue to be required, but the overall advantages of the new system remain overwhelming and fully justify the basic change that has been brought in the system of food pricing and food marketing in Pakistan.

There are also pressures from the World Bank and the IMF, as a part of the ongoing discussions on the adjustment of economic policies, to eliminate all subsidies including food subsidies. These pressures would, no doubt, force the government to raise the release price of wheat beyond the current price of Rs.2.35 per kg to a level of Rs.2.60 or even Rs.2.70 per kg in 1990. This would make it somewhat more profitable for many flour mills to buy their own wheat from the growers at the time of harvest rather than depend entirely on government releases. It would also reduce the scale of government procurement and therefore the costs of storing large quantities of wheat. But such an increase (of Rs.0.25-0.35 per kg) will not reduce the subsidy budget to any appreciable extent. Perhaps the World Bank and the IMF can be persuaded that subsidies up to, say, 50 per cent of the handling charges of wheat (Rs.0.35 per kg) should not be regarded as consumption subsidies but should be treated as the cost of maintaining food security reserves. The private sector would normally maintain only limited stocks to cover its requirements for three or possibly six months; whereas government stocks are drawn down mainly in the second half of the crop year. In addition, the government has to maintain some food security stocks even at the end of the crop year. Government's total handling costs, including storage costs, will therefore be invariably higher. If these costs are not incurred, it will be difficult to safeguard the objective of maintaining relative stability in food prices. This objective may not be as important in the developed countries as in the developing countries where the population spends a much larger proportion of their incomes on food.

Conclusions

A system of universal food rationing, to provide a minimum quantity of food to all the citizens, is a very complex undertaking and, with the exception of a few, essentially socialist, countries like China and Cuba, has not been successful in most countries. Apart from the possibility of large-scale corruption and misuse, a major difficulty invariably arises from rising budgetary costs. Rationed food is generally provided at subsidized prices. On the other hand, efforts to increase food production require assurance of higher producer prices to growers. It is

politically difficult to raise the price paid by consumers for food purchased in ration shops every time the official price paid to farmers is increased. The resultant gap in the two prices has therefore a tendency to widen. As seen in the light of the Pakistan experience, this not only increases the total cost of the programme but also the temptation to siphon off a part of the subsidy.

A National Food Reserve Policy can in such cases provide a more manageable alternative. The main purpose of such a system is to guard against overall or seasonal shortages and provide a measure of stability in food prices. Government purchases grain at a fixed support price and therefore prevents prices from falling below the desired minimum in years of good harvest. Similarly, by releasing wheat at a fixed price, it prevents food prices from rising above that level.

— A food reserve policy does not by itself increase the purchasing power of the poor, but stable food prices prevent unexpected declines in their purchasing power and food consumption. An element of subsidy can of course be included in the scheme, as has been done in Pakistan, but this will require a much larger level of stocks. A better alternative is to supplement a food reserve policy with a special programme for vulnerable groups, where possible, in conjunction with health and drinking water programmes. The integration of health care and nutrition programmes for special groups has a much larger combined impact on the target population than each of them separately. They also cost less because of a common delivery system.

Any viable system of food distribution and food marketing should help to ensure, as a minimum, the availability of food at reasonable and stable prices. It does not by itself address the demand side of food which depends on levels of incomes and purchasing power of the population. The real cause of chronic hunger is lack of purchasing power among the poor, because they have very little land or other income-generating assets and not many opportunities for gainful employment. These aspects of food security also deserve much greater attention in the formulation of development strategies and economic policies in the coming years.

ANNUAL AVERAGE WHOLESALE PRICES OF WHEAT
(1976-1985)

(Rupees per kg)

Year	Procurement price	Issue price of Ration Atta (flour)	Average Wholesale Price					
			Rawalpindi	Karachi	Hyderabad	Lahore	Quetta	Peshawar
1976-77	0.99	0.93	1.09	1.31	1.19	1.09	1.18	1.00
1977-78	0.99	0.93	1.30	1.48	1.13	1.24	1.28	1.16
1978-79	0.99	0.93	1.36	1.54	1.42	1.39	1.57	1.35
1979-80	1.20	1.20	1.39	1.62	1.53	1.38	1.55	1.46
1980-81	1.25	1.35	1.42	1.71	1.56	1.45	1.65	1.41
1981-82	1.45	1.66	1.69	1.94	1.83	1.73	1.81	1.70
1982-83	1.45	1.66	1.79	1.91	1.81	1.81	1.91	1.97
1983-84	1.60	1.66	1.84	2.10	1.99	1.88	1.96	2.01
1984-85	1.60	1.80	2.19	2.28	2.12	2.08	2.15	2.20
1985-86	2.00	1.80	2.67	3.10	2.80	2.60	2.90	2.50

Note: The average exchange rate per US dollar since 1981 is as follows:

Year	Rupees
1981-82	12.7
1982-83	12.8
1983-84	13.5
1984-85	15.1
1985-86	16.1
Nov. 1989	21.0

MONTHLY PRICES OF WHEAT AND WHEAT FLOUR

(Rupees per kg)

Period	Items	Karachi	Hyderabad	Lahore	Rawalpindi	Peshawar	Quetta
1986-87							
August 1986	Wheat	3.00	2.50	2.25	2.50	2.60	
	Wheat flour	3.12	2.80	2.56	2.67	2.80	2.90
September 1986	Wheat	3.00	2.50	2.37	2.50	2.60	
	Wheat flour	3.03	2.80	2.50	2.67	2.80	2.90
October 1986	Wheat	3.00	2.50	2.25	2.50	2.60	
	Wheat flour	3.00	2.80	2.56	2.67	2.80	2.90
November 1986	Wheat	3.00	2.55	2.45	2.52	2.60	
	Wheat flour	3.12	3.00	2.63	2.67	2.80	2.90
December 1986	Wheat	3.00	2.63	2.53	2.54	2.60	
	Wheat flour	3.21	3.00	2.77	2.76	2.80	3.00
January 1987	Wheat	3.00	2.50	2.50	2.50	2.60	
	Wheat flour	3.18	2.82	2.75	2.75	2.80	3.00
February 1987	Wheat	3.00	2.50	2.50	2.43	2.50	
	Wheat flour	3.11	2.90	2.74	2.73	2.70	3.00
March 1987	Wheat	2.98	2.50	2.48	2.40	2.31	
	Wheat flour	3.03	2.83	2.60	2.62	2.63	3.00
1987-1988							
April 1987	Wheat	2.30	2.40	2.16	2.08	2.10	
	Wheat flour	2.66	2.65	2.47	2.50	2.61	2.72
May 1987	Wheat	2.32	2.40	2.13	2.06	2.05	
	Wheat flour	2.72	2.63	2.44	2.50	2.69	2.70
June 1987	Wheat	2.47	2.40	2.19	2.06	2.05	
	Wheat flour	2.76	2.60	2.44	2.49	2.73	2.73
July 1987	Wheat	2.40	2.45	2.35	2.08	2.03	
	Wheat flour	2.65	2.60	2.50	2.49	2.68	2.65
August 1987	Wheat	2.42	2.50	2.41	2.14	2.05	
	Wheat flour	2.66	2.60	2.51	2.48	2.68	2.62
September 1987	Wheat	2.42	2.50	2.40	2.16	2.05	
	Wheat flour	2.72	2.61	2.54	2.49	2.68	2.62
October 1987	Wheat	2.44	2.50	2.43	2.20	2.05	
	Wheat flour	2.72	2.72	2.57	2.50	2.68	2.62

MONTHLY PRICES OF WHEAT AND WHEAT FLOUR (continued)

(Rupees per kg)

Period	Items	Karachi	Hyderabad	Lahore	Rawalpindi	Peshawar	Quetta
November 1987	Wheat	2.47	2.50	2.46	2.25	2.05	2.62
	Wheat flour	2.72	2.70	2.58	2.51	2.68	
December 1987	Wheat	2.50	2.50	2.47	2.38	2.05	2.62
	Wheat flour	2.72	2.70	2.58	2.51	2.68	
January 1988	Wheat	2.50	2.50	2.49	2.42	2.15	2.62
	Wheat flour	2.74	2.73	2.58	2.51	2.68	
February 1988	Wheat	2.53	2.50	2.49	2.43	2.27	2.62
	Wheat flour	2.75	2.74	2.58	2.51	2.68	
March 1988	Wheat	2.55	2.50	2.49	2.41	2.29	2.62
	Wheat flour	2.75	2.75	2.58	2.51	2.68	
1988-89 April 1988	Wheat	2.60	2.50	2.57	2.45	2.42	2.78
	Wheat flour	2.90	2.81	2.72	2.70	3.00	
May 1988	Wheat	2.60	2.50	2.50	2.40	2.36	2.88
	Wheat flour	2.92	2.81	2.69	2.68	3.00	
June 1988	Wheat	2.60	2.50	2.50	2.31	2.20	2.88
	Wheat flour	2.97	2.83	2.73	2.67	3.00	
July 1988	Wheat	2.63	2.50	2.50	2.32	2.30	2.88
	Wheat flour	2.97	2.84	2.76	2.68	3.00	
August 1988	Wheat	2.70	2.71	2.50	2.39	2.50	2.88
	Wheat flour	2.97	2.94	2.78	2.72	3.00	
September 1988	Wheat	2.70	2.71	2.50	2.39	2.25	3.03
	Wheat flour	2.99	2.95	2.78	2.72	2.96	
October 1988	Wheat	2.70	2.75	2.55	2.41	2.25	3.03
	Wheat flour	3.00	3.00	2.78	2.72	2.96	
November 1988	Wheat	2.70	2.75	2.55	2.48	2.35	3.03
	Wheat flour	3.00	3.00	2.78	2.72	2.90	
December 1988	Wheat	2.70	2.75	2.55	2.50	2.35	3.03
	Wheat flour	3.00	3.00	2.80	2.72	2.88	
January 1989	Wheat	2.70	2.75	2.55	2.56	2.50	3.03
	Wheat flour	3.00	3.00	2.83	2.72	2.80	
February 1989	Wheat	2.70	2.84	2.60	2.56	2.47	3.03
	Wheat flour	3.00	3.00	2.88	2.73	2.80	

MONTHLY PRICES OF WHEAT AND WHEAT FLOUR (continued)

(Rupees per kg)

Period	Items	Karachi	Hyderabad	Lahore	Rawalpindi	Peshawar	Quetta
March 1989	Wheat	3.71	2.82	2.63	2.64	2.43	
	Wheat flour	3.00	3.00	2.91	2.83	2.96	3.15
1989-90							
April 1989	Wheat	2.75	2.83	2.84	3.06	2.80	
	Wheat flour	3.18	3.10	3.05	3.09	3.23	3.47
May 1989	Wheat	2.70	2.82	2.56	2.61	2.52	
	Wheat flour	3.17	3.04	2.90	2.95	3.08	3.32
June 1989	Wheat	2.70	2.78	2.43	2.31	2.33	
	Wheat flour	3.17	3.05	2.87	2.94	3.00	3.25
July 1989	Wheat	2.70	2.88	2.48	2.32	2.40	
	Wheat flour	3.17	3.17	3.04	2.97	3.00	3.27
August 1989	Wheat	2.88	2.90	2.69	2.50	2.45	
	Wheat flour	3.36	3.18	3.19	3.05	3.12	3.33
September 1989	Wheat	2.90	3.00	2.69	2.66	2.60	
	Wheat flour	3.40	3.29	3.22	3.12	3.22	3.53
October 1989	Wheat	2.90	3.03	2.73	2.81	2.80	
	Wheat flour	3.35	3.40	3.22	3.12	3.20	3.53

Note: Monthly prices of wheat and wheat flour have been taken from sensitive price indicator (SPI) by the Federal Bureau of Statistics.

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