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High Costs of Exporting Produce Threaten Farmers

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Exporting agricultural produce is bleeding farmers dry as skyrocketing costs, bureaucratic red tape, and global market pressures squeeze profits. In Pakistan, where agriculture drives 24% of the Gross Domestic Product (GDP), small-scale farmers face mounting challenges to compete internationally. This article explores the hidden costs of exporting produce, the impact on farmers, and the need for government action to protect this vital sector.

Rising freight costs and supply chain disruptions are crippling Pakistan's agricultural exports. Since 2023, global shipping rates have surged 30%, with container costs for perishable goods like mangoes and kinnows hitting $3,000 per unit, according to the Pakistan Fruit and Vegetable Exporters Association (PFVEA). Farmers like Ahmed Raza, interviewed by Dawn, lament, "After freight, taxes, and certifications, we're left with pennies." Stringent quality standards imposed by markets like the European Union (EU) demand expensive certifications, such as Global GAP (Good Agricultural Practices), costing up to $5,000 annually for small farms. These barriers favor large agribusinesses, sidelining family-run operations that form the backbone of Pakistan's rural economy.

Domestic policies aren't helping. The State Bank of Pakistan (SBP) imposes high export financing rates, while port inefficiencies in Karachi delay shipments, spoiling perishable goods. In 2024, 15% of mango exports rotted due to clearance delays, per PFVEA data. Meanwhile, subsidies for exporters are mired in corruption, with funds rarely reaching small farmers. Social media platform X buzzes with frustration, as users like @FarmVoicePK post, "Why are farmers taxed to death while exporters get handouts?" The government's failure to streamline logistics or negotiate better trade terms leaves farmers vulnerable to volatile global prices, especially for staples like rice and citrus.

The ripple effects are dire. Farmers are abandoning exports, flooding local markets and crashing prices, while rural unemployment spikes. Pakistan's agricultural exports, worth $4.5 billion in 2024, could shrink further without intervention. The government must slash bureaucratic hurdles, subsidize freight for small farmers, and invest in cold storage to compete with nations like India and Brazil. If policymakers don't act, Pakistan risks losing its agricultural edge, leaving farmers to bear the cost of inaction.