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## PIDE Pushes for Wheat Market Reform to Boost Farmers

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The Pakistan Institute of Development Economics (PIDE) unveils a bold plan to deregulate Pakistan’s wheat sector, promising significant economic gains for farmers.

The Pakistan Institute of Development Economics (PIDE) has introduced a transformative policy blueprint, “Towards a Free Market: A Blueprint for Wheat Sector Deregulation,” authored by Dr. Muhammad Faisal Ali and Dr. Sobia Rose. Released on August 3, 2025, the document advocates for a complete overhaul of Pakistan’s wheat market, criticizing the long-standing Minimum Support Price (MSP) system for failing to stabilize markets or protect farmers. Instead, it has enriched large landholders and flour millers while burdening taxpayers with a PKR 680 billion circular debt in Punjab by 2023, according to a PIDE press release.

The report highlights how the MSP distorts incentives, discourages crop diversification, and inflates procurement and storage costs. By aligning wheat yields with those of progressive farmers, PIDE estimates an economic boost of PKR 609 billion. The blueprint proposes a structured deregulation, urging a 5–10-year policy commitment to build farmer and investor confidence. It calls for removing inter-provincial and cross-border wheat movement restrictions and limiting government involvement to maintaining 10–15% of demand as strategic reserves, sourced solely from small farmers, who constitute 64% of the farming community.

PIDE also recommends eliminating price controls on flour (atta) and bread (roti) to prevent supply chain distortions. The report emphasizes promoting oilseed crops like rapeseed and mustard, which are PKR 5,036 more profitable per acre than wheat. Shifting 10% of wheat cultivation to oilseeds could generate an additional PKR 10.8 billion in farmer income. The authors stress that last year's abrupt market withdrawal led to miller cartels depressing prices, underscoring the need for a gradual, transparent transition to a free market.

This push for deregulation aligns with broader economic reforms, including International Monetary Fund (IMF) mandates to liberalize agricultural markets by fiscal year 2025–26. PIDE's plan offers a roadmap to empower farmers, reduce government expenditure, and enhance food security through data-driven oversight. By fostering competition and innovation, the policy aims to create a resilient agricultural economy, provided the government commits to clear, consistent implementation.