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## **AFGHANISTAN AGRICULTURE: FOCUSING ON REGIONAL EXPORT POTENTIALS**

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### **I. HISTORICAL OVERVIEW**

Traditionally, Afghanistan has been recognized as an agricultural country with a strong agrarian economy. Despite the recently rapid growth of other sectors like services and construction, the agriculture sector continues to be the largest production sector in the country accounting for the largest share contribution toward the national GDP as well as engaging the largest percentage of the labor force.

Afghanistan agriculture is gifted with enormous production potentials which are further enhanced by crop intensification and diversification; enabling the sector to produce more than one crop in the same year or growing the same crop in various seasons of the year. When you add irrigated as well as rain fed conditions to these potentials Afghanistan's farmers could grow numerous varieties of crops of varying values and for various purposes. In short, the potential is enormous should the right conditions apply.

Over the years, Afghanistan crop production has fluctuated due to many factors. First, there have been changes in the volume of investment channeled through the Afghan Government and international donor community, who have sponsored multiple agricultural development plans, supported by specific crop-based and livestock focused development projects. This included the 1966-73 Green Revolution led by Nobel Prize Winner, Dr. Norman Borlaug, who applied disease resistant and fertilizer responsive agriculture strategies in Afghanistan, Pakistan and India, and many other nations. The full impact of the successful Green Revolution program in Afghanistan was realized in 1973 by the surplus production of wheat (about 500,000 tons), peak production of cotton (170,000 tons) and peak exports of grapes, raisins and almonds.

Secondly, Afghanistan has suffered under varying intensities of periodic droughts with a lack of resilient irrigation systems when these droughts occur. Thirdly, the lack of access and sufficient amount of improved seed varieties and chemical fertilizers available to farmers in boosting farm yields has harmed yields in recent decades and a lack of marketing support from the Afghan Government has stifled growth here as well. Changes in the production levels in turn affected the volume of annual imports of food commodities, especially wheat.

## II. PRODUCTION POTENTIALS AND DEVELOPMENT OPPORTUNITIES

Due to years of conflict and political instability, Afghanistan has now become largely an importing country, even for food stuffs---annually importing wheat (over 200,000 tons /year), edible oil (over 600,000 tons/year), protein food stuffs (valued at \$4 billion/year), and animal feed on an unpredictable basis towards meeting the total estimated needs (about 6 million tons/year). These unexpected outcomes for the agricultural sector have occurred in the face of enormous resources and wealth that the agricultural sector is gifted with ---including arable land of 7.9 million hectares and **30 million head of livestock** including sheep, cows, goats, and horses as well as 75 billion cubic meters of fresh water in the rivers and high levels of diversification and intensification of farming systems.

The diversification of the farming system includes crops such as **wheat, corn, barley, rice, grapes, fruits** (apples, pears, pomegranate, almond, pistachios, apricots), **vegetables** including (spring and summer) potatoes, onions, saffron, **oil seeds** including cotton, flax, soybean, canola and others, as well as irrigated spring, summer and fall season planting capabilities; plus vast areas of rain-fed farming especially important for wheat production. The intensification of farming systems is distinguished by 2- 4 cropping in the same year, mix-cropping, post wheat-harvest cropping of soybean, canola, cotton, corn and rice.



Unfortunately the above production boosting potentials are handicapped by the lack of several essential security requirements including:

- **Food Security System**, to ensure rational/economic use of the available irrigated land based on the principle of comparative advantage;
- **Feed Security Program**, to ensure the availability of balanced feed needed for the development of the poultry, livestock and fish industries;
- **Farm Inputs Security Strategy**, aimed at ensuring the availability of irrigation water, improved seed, chemical fertilizers, pesticides, and farm machinery;
- **Market Access Security**, to ensure farmers can access and sell their marketable farm output at suitable prices; and
- **Farm Credit Security**, especially for small and middle sized farmers (80% of farming population) to enable them to obtain needed credit at reasonable rates to invest in procuring their farm inputs and improving their farm productivity.

The Afghanistan agricultural sector is gifted with enormous production and development opportunities. Using these opportunities to take advantage of regional export markets is crucially important. The most important of them include:

1. Tapping on the experience of Green Revolution ***with continued access to improved seed varieties and better farming methods***; and
2. Multiplying recent successes of progressive farmers by promoting the use of ***“full yield boosting packages”*** including improved seed, chemical fertilizer, and better irrigation and agro-technical practices. The yield per hectare can be boosted by at least 50% - 100% within 5 years. For example, the present average yield per hectare of wheat can be increased from ***2.0 tons to 4.0 tons per hectare***. That is a major contribution toward Afghan agricultural resiliency, food security and regional export potentiality.
3. Based upon the ***Rana Agribusiness Company’s*** successful experience, in addition to normal farming, crop production can be substantially increased by post- wheat harvest of soybean, cotton, canola, corn and rice. It has been successfully demonstrated in recent years that by expanding the adoption of a ***“trellising system in grape farming,”*** grape yields can be increased by at least by 50%. In addition, through the adoption of this farming system, the quality of grapes will go up and the losses /wastage of grapes can be substantially reduced.



### III. **CHALLENGES AND PRIORITIES**

The main challenges ahead for Afghanistan’s agriculture sector include changing the existing predominantly wasteful or traditional ways of farming and moving incrementally toward a more business-oriented, commercial-farming approach. I segment these challenges into two sets of priorities: Government or Systemic Priorities and Market-based Priorities. Let’s tackle them one by one:

#### A. **Government and/or Systemic Priorities:**

The following represents a framework for government and donor officials to focus on systemically to effectuate needed changes:

- ***Expansion of irrigation systems*** aimed at supplementing the existing irrigation plus expanding the area of the existing irrigated farming;
- ***Improved security together with expanded and more efficient use of current farm inputs*** including seeds, fertilizers, pesticides and farm machinery;
- ***Providing easier access to and affordability of farm credit*** especially small and medium sized farms as well as to the emerging agribusiness industry;



- **Better market security or dependability for the sale of farm outputs**; at present time, the bulk of farm outputs are produced under a shadow of market uncertainty;
- **National agricultural supply chain management of farm products through well-managed, cold storage systems as well as diversification of marketing outlets such as drying** (e.g. for grapes, fruits, vegetables) and processing (value chain approaches); and
- **The use of updated farming technology by strengthening the research and extension capabilities** of the concerned institutions such as the Ministry of Agriculture, Irrigation and Livestock.

#### **B. Major Market-based Priorities:**

In spite of the perception of Afghanistan as an agricultural country and the importance of agriculture in the socio-economic development of the country, the present agricultural system has remained largely traditional from a market perspective; using traditional, outdated and even sometimes wasteful farming methods. Traditional Afghan farming practices are characterized by:

1. **Lack of farm mechanization** for planting, harvesting and processing of farm products;
2. **Excessive use of pre-harvest inputs**(e.g. seed, chemical fertilizers, irrigation) **and post-harvest waste/losses** (storage facilities, both cold and regular);
3. **High costs of production** due to the use of excessive seed rate, fertilizer, irrigation, lower yield and import of chemical fertilizers, pesticides and farm machinery.
4. **Lack of uniformity and standards in the production of farm outputs** as well as lack of standards in the packaging of farm outputs.
5. **Lack of access and exchange of critical market information**
6. **The effect of periodic droughts** where under Afghan climatic condition, drought has become a usual phenomenon that occurs at least every third year and is identified by: (i) inadequate precipitation (i.e. less than yearly 300mm of precipitation); (ii) wrong type of precipitation (i.e. rainfall instead of snowfall or wet snow instead of dry snow) which is deposited for subsequent melting;(iii) irregular seasonal distribution of precipitation.

**Note:** There are measures to be used to mitigate the effects of drought in Afghanistan. Some of these include: (i) storage of surface flow water from rain storms or snow melt; and (ii) building of food and feed reserves both by public and private sources. However, such measures are yet to be implemented because of the high cost and low priority accorded to these mitigation investments by Government, donors as well as private sectors.

#### **IV. POTENTIALS FOR AFGHANISTAN AGRICULTURAL EXPORTS TO REGIONAL MARKETS**

At the present time, Afghanistan's balance of trade is suffering from a critically unfavorable condition marked by about 96% imports and 4% exports. The most important requirements aimed at improving the situation include the following:

1. **Create a national public-private partnership to support Afghanistan's agricultural export strategy:** The Ministry of Commerce and Industries of the Afghanistan Government has recently prepared an export strategy in cooperation with the EU and WTO. Their new National Export Promotion Strategy is aimed at substantial increases of national exports in the coming five years tapping both regional and European markets. Given Afghanistan's present conditions, the greatest challenge is the **implementation** of any development or export strategy. Let us hope this one will be successfully implemented as planned but the strategy must include a monitoring & evaluation system and the designation of a responsible, transparent, results- oriented mechanism. If yes, one can be cautiously optimistic.

2. **Focus on India and Pakistan for agricultural export markets:** For improving the export of agriculture products the best markets continue to be India and Pakistan, using both land and air transport facilities, whichever is more cost effective and sustainable. Last year the “Path to Prosperity Trade and Investment Summit” in Delhi was a huge start to this effort with Afghan, Indian and U.S. companies meeting to sign MOUs with purchases of Afghanistan agricultural products. This September (2018) the second “Path to Prosperity Summit” event will take place but this time in Mumbai, India with Afghanistan, Indian and U.S. businesses all committed to attend. I am assured that Afghanistan agriculture will be a major focus of this event as well.
3. **Diversify agricultural exports:** In the meantime, Afghanistan has to diversify the export of its value-added agricultural products as well as improve their standard, sorting/grading and packaging conditions, as required by customers in the receiving export markets. In addition, Afghan farmers must focus on reducing their costs of production to be more competitive. ***Afghanistan’s most competitive export products*** continue to include: **fresh fruits**(grapes, pomegranates, apples, apricots, pears and melons ); **dried fruits**(red and green raisins, almonds, pistachios, figs, walnuts, gerardiana nuts (jalghoza)and **vegetables** (onions, potatoes) and **summer vegetables**(tomatoes, cauliflower, lettuce, Broccoli, celery, peppers), mongbeans and medicinal plants.
4. **Let’s Re-Focus on Afghan Raisins and Almonds for Regional Exports:** During the 1960s–1970s, which was considered a golden period for Afghanistan agriculture, Afghan exports of fruits (especially raisins and almonds) flourished and, as such, Afghan raisins and almonds could compete directly with those of California. However, following the conflicts in the region since the 1990s, Afghanistan’s export position for these commodities declined. It is time to re-focus on these products with a strong reputation for quality, taste and market competitiveness.



5. **Implement a Regional Agricultural Export Strategy focused on three core elements:** Afghanistan’s agricultural export strategy should take into consideration: a) Dramatically improved production, processing and packaging standards; b) better ensure the sustainability or continuity of supply; c) promote diversification of export products (including fresh, dry, and processed forms); and d) encourage a more rapid development of horticultural, livestock, and industrial crops as well as agro–industrial sub–sectors, so they are capable of making a greater contribution in the near future.

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