

Storage and Transportation

In 1960, storage capacity was available in West Pakistan for 630,000⁽¹⁹⁾ tons of food grains, about 10 percent of domestic consumption. A quarter of this capacity was in the port of Karachi and three-quarters in the interior of the province. The second five-year plan calls for increasing storage capacity to 1.08 million tons by 1965, with one-third being in Karachi and two-thirds up country. Most storage capacity is in Government godowns, usually wooden sheds with a raised floor in which bagged grain is stacked. These Government storage facilities are designed primarily to facilitate distribution of imported and domestically produced grain to the cities. Wheat and rice storage facilities were filled to capacity during the first half of 1962.

Long distance transportation of agricultural commodities is principally by rail; short-haul feeder traffic is handled chiefly by bullock- or camel-drawn carts. All urban centers are connected by roads capable of handling trucks and automobiles, but the secondary roads to many villiages are inadequate for motor vehicle traffic.

Credit

There are three main sources of credit: individuals, cooperatives and Government institutions. Most loans are advanced by landlords, relatives or other village members. Less than 10 percent of the needs for agricultural credit are met by farmer cooperatives. Credit furnished by individuals represents, in part, simply advance purchase of crops at depressed prices.

To provide additional sources of short term funds, the Government created the Agricultural Development Finance Corporation and the Agricultural Bank of Pakistan. These two institutions were merged in 1961 to become the Agricultural Development Bank of Pakistan. The Government subscribed more than 50 percent of the shares of the bank. A rural credit fund has been established within the State Bank of Pakistan to provide medium and long-term loans and to supply funds to co-operatives.⁽²⁰⁾

(19) Government of Pakistan, Planning Commission, "Construction of Food Grain Storage," Karachi, 1962.

(20) Hussain, S.A., "Agricultural Credit in Pakistan" Proceedings of the First Near-East South Asia Seminar, University of Ceylon, April 1961, pp 27-34, 1961.