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SINDH AGRICULTURE RECOVERY PROJECT

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MONTHLY PROGRESS UPDATE – July



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Introduction

After the July-August 2010 floods in Pakistan, the people of America through the United States Agency for International Development (USAID) began providing massive support to meet the emergency and early recovery needs of the flood victims. One significant project being funded and supported by USAID is the Sindh Agriculture Recovery Project (SARP), which was launched in 7 districts of Sindh from December 2010 in partnership with the Rural Support Programs Network (RSPN), Sindh Rural Support Organization (SRSO) and Sindh Abadgar Board (SAB). The total value of this USAID SARP project is \$ 15 million. The launching ceremony was held in Jacobabad on December 13th, 2010 which was attended by representatives from the Sindh Government, USAID, RSPN, SRSO, SAB, and other stakeholders. Similar but smaller launching ceremonies were held in January 2011 in all 7 SARP districts. With USAID support, SARP is providing agricultural inputs to flood affected small farmers to grow sunflowers. Under SARP, the target beneficiaries are 50,575 small farmers (owners, tenants, and share croppers) and 101,150 acres, i.e. 2 acres per beneficiary. The package of support to the small farmers includes: certified sunflower seeds, fertilizers (DAP and Urea), trainings on sunflowers cultivation and cash packages for land preparation, cash for on-farm (water courses repair) and for threshers and harvesting.

Reduction in Beneficiaries

Districts	Initial Target	Verified Target	1st Cheq	2nd Cheq
Shahdadm Kot	8,053	7,390	7,390	7,390
Larkana	2,795	2,776	2,776	2,776
Jacobabad	9,757	9,211	8,486	8,486
Shikarpur	7,128	6,890	6,890	6,890
Dadu	9,215	8,747	8,660	8,660
Thatta	8,079	7,668	7,668	7,668
Kashmore	5,549	5,376	5,376	5,376
Total	50,576	48,058	47,246	47,246
Overall Reduction		2,518	3,330	3,330
Reduction from Verified Target			812	812

From the initial targets, the number of beneficiaries had reduced to 48,058. This was after the verification process when the SARP team completed physical verification of farmers who had planted on the ground. By the time cheques distribution started, a number of beneficiaries who were previously verified were not present to collect their cheques. This happened in Jacobabad and Dadu where a large number of small farmers were migrants who moved away in search of work. In some cases it was discovered that some of the farmers who had earlier claimed to have planted their fields had next to no germination and was clear to the team that they had used the fertilizer for other crops or had sold the inputs. These names were removed from the verification list. The reduction from the verified target was 812 beneficiaries.

Status of 1st Cheque

Districts	Target	Distributed	Remaining
Shahdadt	7,390	7,390	0
Larkana	2,776	2,776	0
Jacobabad	8,486	8,486	0
Shikarpur	6,890	6,890	0
Dadu	8,660	7,845	815
Thatta	7,668	7,640	28
Kashmore	5,376	5,376	0
Total	47,246	46,403	843

Distribution in Dadu and Thatta saw issues around finding the beneficiaries. The following reasons were provided by the field teams for not being able to complete distribution:

- Farmers have migrated to other areas in search of work.
- In some cases beneficiaries are no longer able to produce CNIC.
- In some cases the CNIC is there but the original beneficiary is missing.

However some of the beneficiaries are coming forward slowly and the undistributed cheque figure is going down.

Status of 2nd Cheque

Districts	Target	Distributed	Remaining
Shahdadt	7,390	7,390	0
Larkana	2,776	2,776	0
Jacobabad	8,486	8,486	0
Shikarpur	6,890	6,788	102
Dadu	8,660	7,067	1,593
Thatta	7,668	7,612	56
Kashmore	5,376	5,376	0
Total	47,246	45,495	1,751

Issues around these cheques are similar to those around the 1st cheques. Shikarpur is expected to clear in the next few days. However, the overall final beneficiary figure of those who will receive the complete package will be closer to 45,495.

1st Cheques Cashed

Districts	Issued	Distributed	Cashed	Remaining
Shahdadt	7,390	7,390	7,011	379
Larkana	2,776	2,776	2,645	131
Jacobabad	8,486	8,486	7,331	1,155
Shikarpur	6,890	6,890	6,335	555
Dadu	8,660	7,845	7,298	547
Thatta	7,668	7,640	6,590	1,050
Kashmore	5,376	5,376	3,262	2,114
Total	47,246	46,403	40,472	5,931

While the cashed cheque number is going down every day there are some issues in the field. For e.g. in Kashmore (Khandhkot) a number of villagers are unwilling to travel outside their villages to go to the banks due to personal enmity with other surrounding community. They believe that leaving the security of their village can be dangerous as they may be attacked. In other cases larger landlords have confiscated some of the cheques by force but are not being able to cash them because the cheques have CNIC numbers printed on them. The figure is expected to reduce over the next few weeks.

2nd Cheques Cashed

Districts	Issued	Distributed	Cashed	Remaining
Shahdadt	7,390	7,390	1,950	5,440
Larkana	2,776	2,776	2,250	526
Jacobabad	8,486	8,486	0	8,486
Shikarpur	6,890	6,788	5,735	1,053
Dadu	8,660	7,067	0	7,067
Thatta	7,668	7,612	7,612	0
Kashmore	5,376	5,376	2,750	2,626
Total	47,246	45,495	20,297	25,198

There are bank delays in Jacobabad and Dadu. In Jacobabad, the distribution finished late and bank was given authorization after the completion which led to delays. In Dadu, the bank is having processing capacity issues as a number of other projects are also in the region and the bank started processing SARP 2nd cheques on July 28th. Overall banks have indicated that they can process up to 200 cheques per day. Given over 8000 cheques in Jacobabad, the process is projected to complete in 45 days, or in the 1st or 2nd week of September (Ramadan may cause further delays).

Yields from the field

The yields reported below were collected when the 2nd cheques were being distributed. In some cases yield data was collected at the village even though the beneficiary was not given cheques due to incomplete documents or due to beneficiary not being present himself. In Jacobabad the data is much less than the target due to staffing shortfall and miscommunication from the field office to the field staff

about the information needed to be gathered. In all cases, for total output the data has been extrapolated to match the estimated final number of beneficiaries.

District	Data for # of benef	Avg. Mnd/acre	Max Mnd/acre	Avg. Price/Mnd
Shahdadt	7390	6.0	32	2200
Larkana	2776	10.5	28	2033
Jacobabad	348	8.4	12	2112
Shikarpur	4520	7.9	24	2212
Dadu	8747	5.4	8.5	2073
Thatta	7662	9.8	15.5	2278
Kashmore	5376	9.8	22	2198
Total	36,819	7.8	32	2,185

As can be seen, the data is based on 36,819 beneficiaries. The average yield per acre is much below expectation. This is largely due to:

- Lower water given due to damaged infrastructure
- First time sunflower for most farmers and for regions
- High salinity in some of the areas
- Late sowing for most of the regions

The price received on average by the farmer is above the government support price. Extrapolated output and revenue per beneficiary is as follows:

District	Data for # of benef	Total Output (tons)	Total Revenue (Rs. Million)	Est. Revenue (Rs.) / Acre	Revenue (Rs.) / Benef	% sold to Broker vs. Solvent
Shahdadt	7390	3582	197	13,329	26,658	98%
Larkana	2776	2332	119	21,362	42,723	100%
Jacobabad	8486	5730	302	17,816	35,632	93%
Shikarpur	6890	4343	241	17,478	34,956	93%
Dadu	8660	3720	193	11,147	22,293	100%
Thatta	7668	6010	342	22,318	44,636	64%
Kashmore	5376	4233	233	21,670	43,341	100%
Total	47,246	29,950	1,627	17,220	34,440	92%

The total farm gate revenue generated by the project is Rs. 1.63 billion (\$19M) and the revenue per farmer is Rs. 34,440 (a monthly average income of Rs. 8610 over a 4 month period). The total input cost per beneficiary in this project was Rs. 22,500 so even if farmers had paid themselves they would make a net profit of Rs. 11,940 per farmer.

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